

***EMERGING DIMENSIONS  
OF  
HUMAN RESOURCE  
DEVELOPMENT  
IN LIC***

**THESIS**

**SUBMITTED FOR THE DEGREE  
OF DOCTRATE OF PHILOSOPHY IN  
MANAGEMENT  
IN THE FACULTY OF  
COMMERCE  
INSTITUTE OF MANAGEMENT STUDIES  
BUNDELKHAND UNIVERSITY, JHANSI**

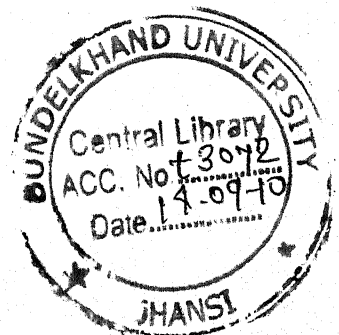
**2007**

**RESEARCHER:**

**GUIDE:**

**Mrs. ARCHANA VERMA**  
Lecturer  
IMS, Bundekhand University,  
Jhansi

**Prof. R.K. SAXENA**  
Director, IMS & Dean Student Welfare  
Bundelkhand University,  
Jhansi



# INSTITUTE OF MANAGEMENT STUDIES

BUNDELKHAND UNIVERSITY, JHANSI - 284 128 (U.P.) INDIA

Prof. R. K. Saxena

Director and Head

&

Dean Students Welfare



Ph : 0517-2320496 (O)

0517-2321390 (O)

Fax : 0517-2320761

e-mail: bujhansi@up.nic.in

Ref:.....

Date: 08.11.2007

## CERTIFICATE

This is to certify that Ms. ARCHANA VERMA has worked under my supervision for her thesis entitled "EMERGING DIMENSIONS OF HUMAN RESOURCE DEVELOPMENT IN LIC" for the degree of Doctor of Philosophy in Management in Bundelkhand University, Jhansi and that the thesis embodies the original work of candidate to the best of my belief. She has worked with me for more than 24 months.

A handwritten signature in black ink, appearing to be 'R.K. Saxena', is written over a horizontal line.

(Prof. R.K.Saxena)



## **PREFACE**

The concept of HRD was formally introduced by Leonard Madler in 1969 in a conference organized by the American society for training and development. The National HRD network which started tentatively in 1985 as an informal network of HRD professionals has today burgeoned into a vibrant organization with active chapters in some fourteen cities of India. HRD from organizational point of view is a process in which the employee of an organization are helped, motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities, and mould the values, believes, attitude necessary to perform present and future goals by realizing highest human potential with a view to contribute positively to the organizational group individual and social goal.

HRD is an integrated and interdisciplinary approach to the development of human resources in the organization. This is perhaps one area where the question needs to be asked in all earnestness, if one is to see the large-scale orchestration of the HRD slogan in Indian industry in a proper perspective.

The present day Life Insurance Corporation of India has traveled a long way from their traditional personnel function of focusing either on fire fighting or reactive compliance with labour laws to one of development

of human resources in the entire social system of Life Insurance Corporation consisting of individuals, groups and inter-group relations. HRD essentially involves the creation of an environment in which the flower of human knowledge, skills, capacities, capabilities and creativity blooms. It is thus obvious that HRD cannot be a single system or activity, but a package of systems and processes through which information, knowledge and skills, insight, foresight, maturity and wisdom can be cultivated and enhanced among the people to enable them to do the best for the LIC organization.

Human resource is the single most important issue facing the industry. In developed countries a dramatic fall in the number of school learners will lead to the problem of recruiting more staff for an expanding industry from a diminishing labour force, in developing countries like sufficient number of trained staff.

The problem can only be overcome by increasing mobility of labour between countries (with a consequent need for much greater education and training, including language training) and by the recruitment of older workers. Older workers can well become the resource of future, particularly the new retired on the part-time basis. But because the LIC industry is not perceived as caring and compassionate employer, recruitment will remain a problem. The industry should implement the action plans to improve its image as an employer in four key areas:-

- Career structures,
- Pay and working conditions,
- Training and education, and
- General well being.

The most important is training and education of Human Resource which is seen as the corner stone of future success in LIC of India.

In view of the role of the corporation in the all round development of the society and also country, as a factor that favors social stability, improves the working capacity of communities and promotes individual as well as collective well being, role of LIC as an essential for all people and the pivotal role of human resource in the operation of corporation business.

It is for this reason that the topic “Emerging dimensions of Human Resource Development in Life Insurance Corporation of India.” has been selected for the purpose of research study.



**(ARCHANA VERMA)**

## **ACKNOWLEDGEMENT**

As with my research work of this kind, there are a number of people who deserve thanks for their efforts at pulling it off.

The overwhelming feeling of gratitude and indebtedness which conceive in my mind during the entire phase of this work, try hard to take the shape of words when I start to pen acknowledgement.

I express my indebtedness to Prof. R. K. SEXENA, Director, Institute of Management Studies, Bundelkhand University, Jhansi for providing encouragement, support and some thought provoking suggestions as I progressed from one draft to another through his flawless guidance. His vigilant supervision, at the expense of his busy personal and academic life has gone a long way towards the success of this work.

I am also grateful to the following persons who spared their valuable time and accorded necessary help as and when contacted by me.

1. Shri V. K. SINHA, Zonal Manager LIC Kanpur.
2. Shri M. C. VERMA, Area Manager LIC Mutual Fund Kanpur
3. Shri VERENDER SINGH, A.O., LIC Jhansi.
4. Shri SANJAY SINGH, A. B. M. (Sales), Jhansi.
5. Shri G. M. PRAKASH, H. G. A LIC, Jhansi.

I owe thanks to all those persons who responded to my queries and provided me the data necessary for the completion of this research work.

I am also thankful to number of persons associated with the below mentioned libraries, where I went to collect the secondary data, and they were co-operative enough to provide it without shoeing any difficulties to me. These include:-

1. Central library, Bundelkhand University, Jhansi.
2. Bundelkhand Degree College library, Jhansi.
3. District library, Jhansi.

4. LIC Zonal training Centre library, Agra.
5. LIC Zonal training Centre library, Kanpur.
6. LIC branch office, Jhansi.

Indeed I cannot thank enough all the friends, colleagues, relatives and others who helped in some way or the other in making this research work a reality.

Last but not the least, I express my deep sense of gratitude to my husband Mr. Vinay Verma, my father Dr. J.L. Verma, my mother Mrs. Kastoori Devi Verma, for extreme cooperation and inspiration, even at the cost of their personal inconvenience, without which it would not have been possible to undertake the complete research work, for me.



**(ARCHANA VERMA)**

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# **CHAPTER I**

**INTRODUCTION**

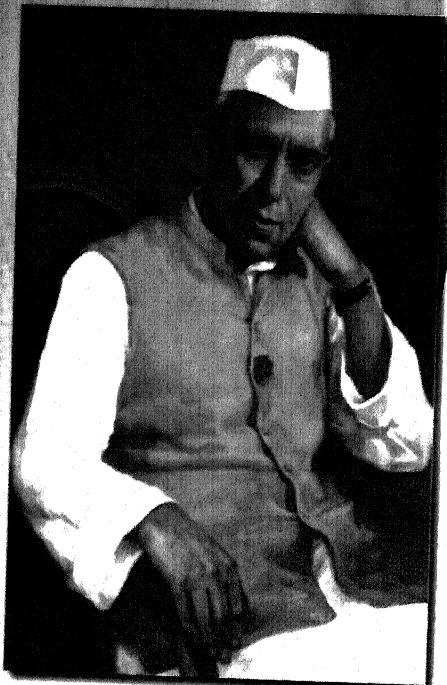
**MAIN FRAMEWORK**

**OF**

**LIC OF INDIA**

योगक्षेमा Yogakshema

## Letters we treasure



PRIME MINISTER'S HOUSE  
NEW DELHI

August 5, 1961

The remarkable success which the Life Insurance Corporation of India has achieved is most gratifying and I should like to congratulate all those who work with this Corporation on this achievement. I have no doubt that this progress will continue as the field in India is vast.

There is one aspect of the work of the Life Insurance Corporation to which I would like to draw special attention. Both in England and in the United States of America, private insurance companies and corporations undertake building operations on a tremendous scale. This is not only good investment, but has obvious social advantages when there is such a great lack of housing. It seems to me that in India this is even more needed than elsewhere, and a State corporation, like the Life Insurance Corporation of India, should be presumed to have a greater social outlook than private companies.

This idea struck me more especially when visiting Poona after the tremendous flood calamity that it had suffered. It seemed to me that the Life Insurance Corporation could undertake large-scale building there which would be an excellent investment for it and at the same time would serve an urgent social need and purpose. But it is not Poona only which needs this. All over India there is such a need. In all the towns of India there are slum areas which have to be replaced by clean and healthy living conditions and good houses. State Governments are responsible for such improvements, but the L.I.C. can certainly help in a big way.

My good wishes to the Life Insurance Corporation of India.

Jawaharlal Nehru

Jawaharlal Nehru.

Camp : Bombay,  
April, 11, 1957.

I am glad to hear that the first issue of the House Magazine of the Central Office of the Life Insurance Corporation of India, "Yogakshema" is to appear on the 1st of May.

I send the venture my very best wishes.

W. V. Giri

राष्ट्रपति भवन, नई दिल्ली-4  
RASHTRAPATI BHAVAN  
New Delhi-4  
April 7, 1971.

Dear Shri Pai,

Please refer to your telegram of 4th addressed to the Private Secretary to the President, conveying that the LIC has recorded the highest rate of growth this year. I send my congratulations to you and your colleagues.

Yours sincerely,

W. V. Giri  
(V. V. Giri)

Shri T. A. Pai,  
Chairman,  
Life Insurance Corporation of India,  
Bombay.



Life insurance is a contract providing for the payment of a sum of money to the person assured or to the person entitled to receive the same, on the happening of certain event.

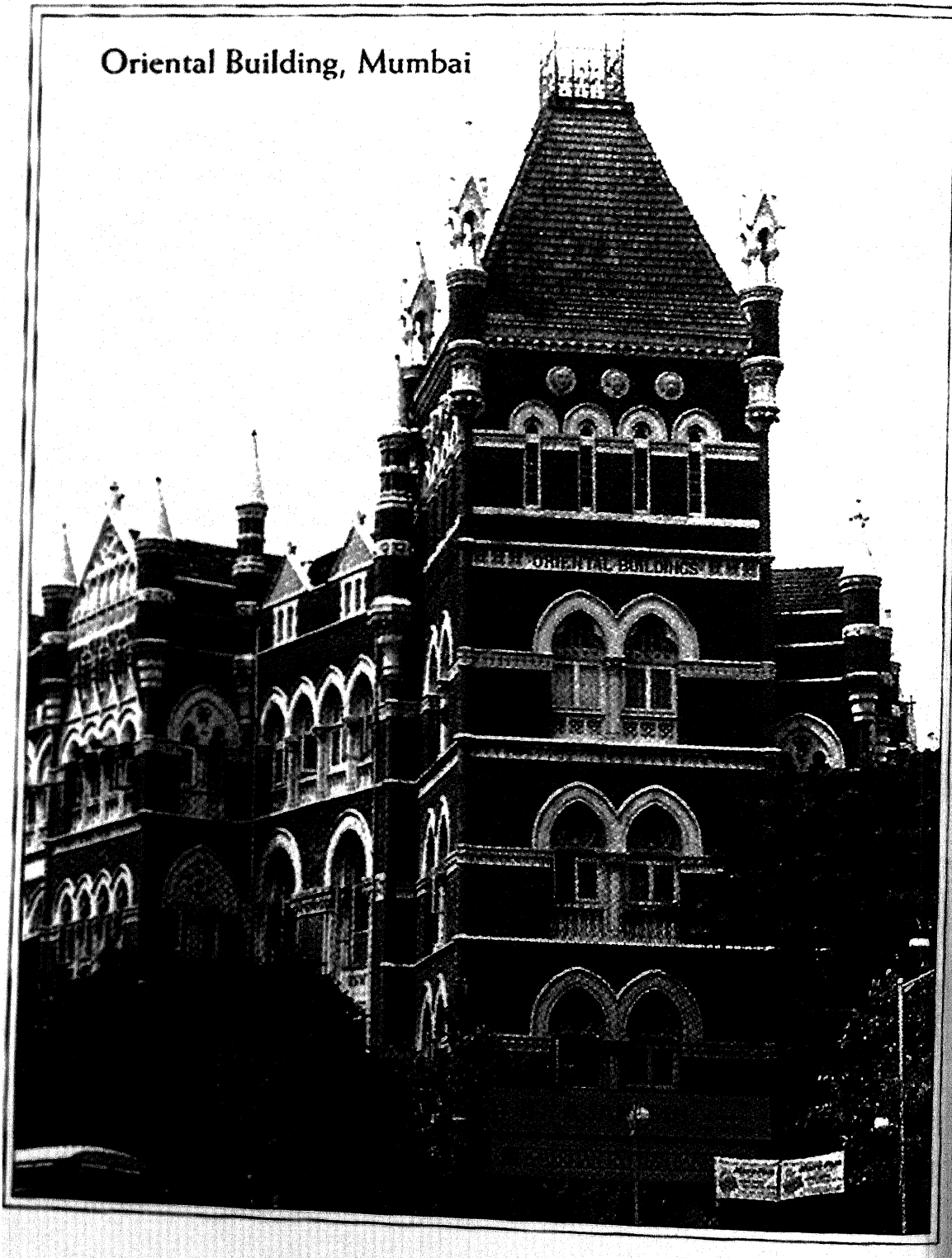
A family is generally dependent for its food clothing and shelter on the income brought in at regular intervals by the breadwinner of the family. So long as he lives and the income is received steadily, that family is secure, but in the event of death suddenly, the family is in a very difficult situation and sometimes in stark poverty. Uncertainty of death is inherent in human life. It is on account of this uncertain risk, which gives rise to the necessity for some form of protection against financial loss arising from death. Insurance substitutes this uncertainty by certainty.

Man has faced risk to his life and property from the time he lived in caves. Tribe, family, agriculture is all measures for security against hunger, sickness and environment.

But these measures were found wanting and individual self respect led him to think of scientific ways to take care of such risks .Insurance is the most scientific way to overcome the need for sufficient time to save adequately for a rainy day .General insurance deals with the insurance of the physical assets while life insurance deals with the financial loss caused by the untimely death or disability.

# *Central Office Buildings*

Oriental Building, Mumbai



Insurance is a social security tool, because without the provision through insurance, the dependants in the absence of the breadwinner shall become burden on the society and so shall be the old man, who needs income, but cannot earn most states are financially too weak to take complete care of this social burden.

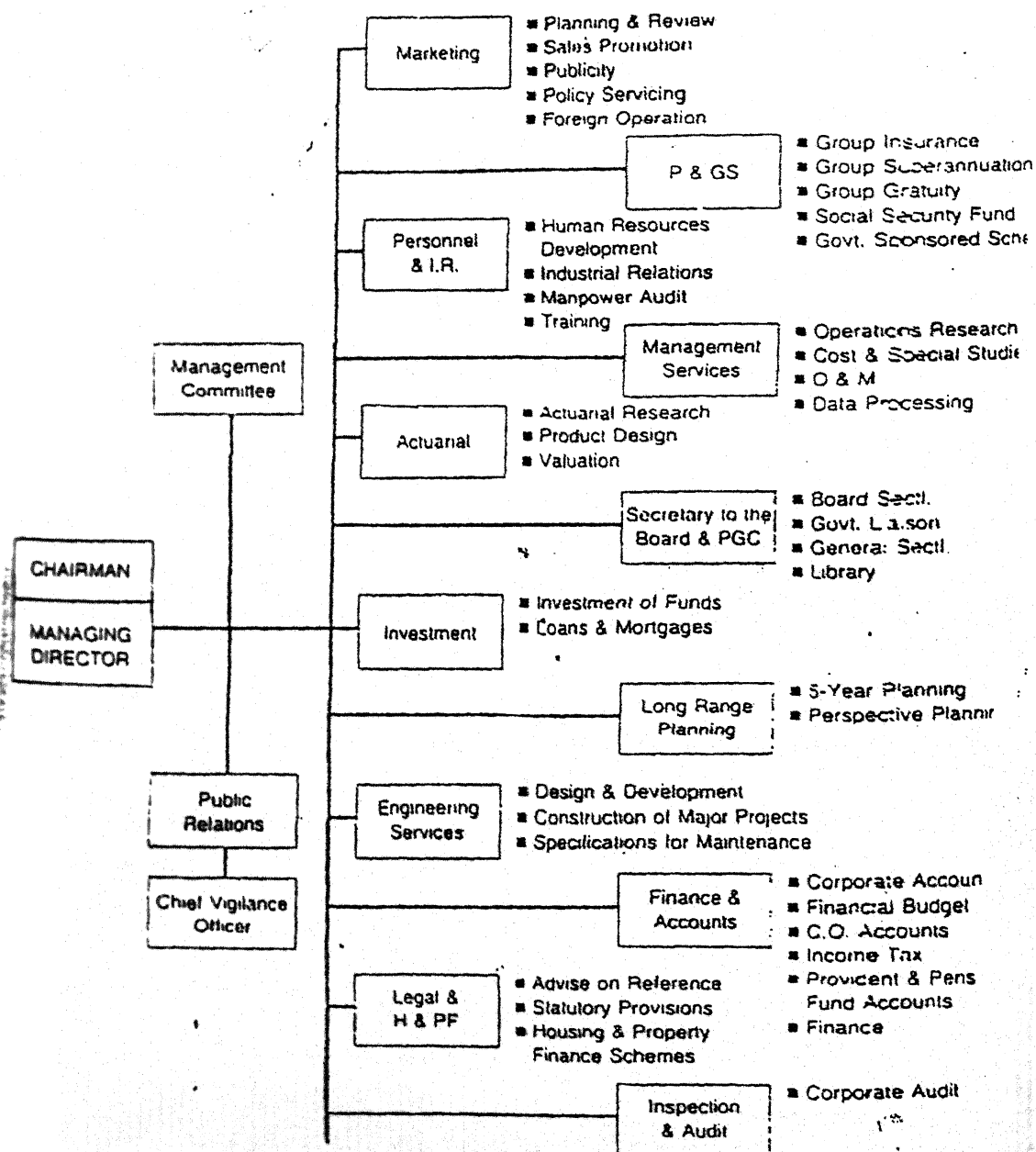
The economic development of society would not be possible if the promoters of the industry or any enterprise are always to be worried about the risk from fire , earthquake ,accident to their valued assets .Insurance provides a sense of security and hence a peace of mind .

Premium is small sacrifices to protect oneself against a probable future big loss .People placed in similar circumstances contribute or pool their resources for such mutual protection

While it is easy to determine the value of physical assets, it is rather difficult to ascertain the value of human life even in its financial aspects. The principle of human life determines this value in terms of the capital which shall provide the monthly interest equal to the estimated monthly income.

From just Life Insurance business, LIC has become a multidimensional financial conglomerate today, which has made forays into mutual funds, housing finance and gone global through LIC Mutual Funds, LIC Housing Finance Ltd. & LIC (Int.) (BSC) respectively.

## CORPORATE MANAGEMENT



## COMPANY PROFILE:

Every insurance company has its own profile, which relates to its market standing, spread in the market with its number of offices and personnels, its record of making profit and declaration of bonus to its policy holders and its achievements in terms of claim payments and consumer satisfaction –all leading to its high image in the insurance market. As life insurance is a long term contract, spreading over a period say 40 to 50 years and may be more, the policy holders investing money in the company, would like to be doubly convinced that the life insurance company will continue to thrive over the years and shall remain solvent enough to pay the claims whenever it is called to do so.

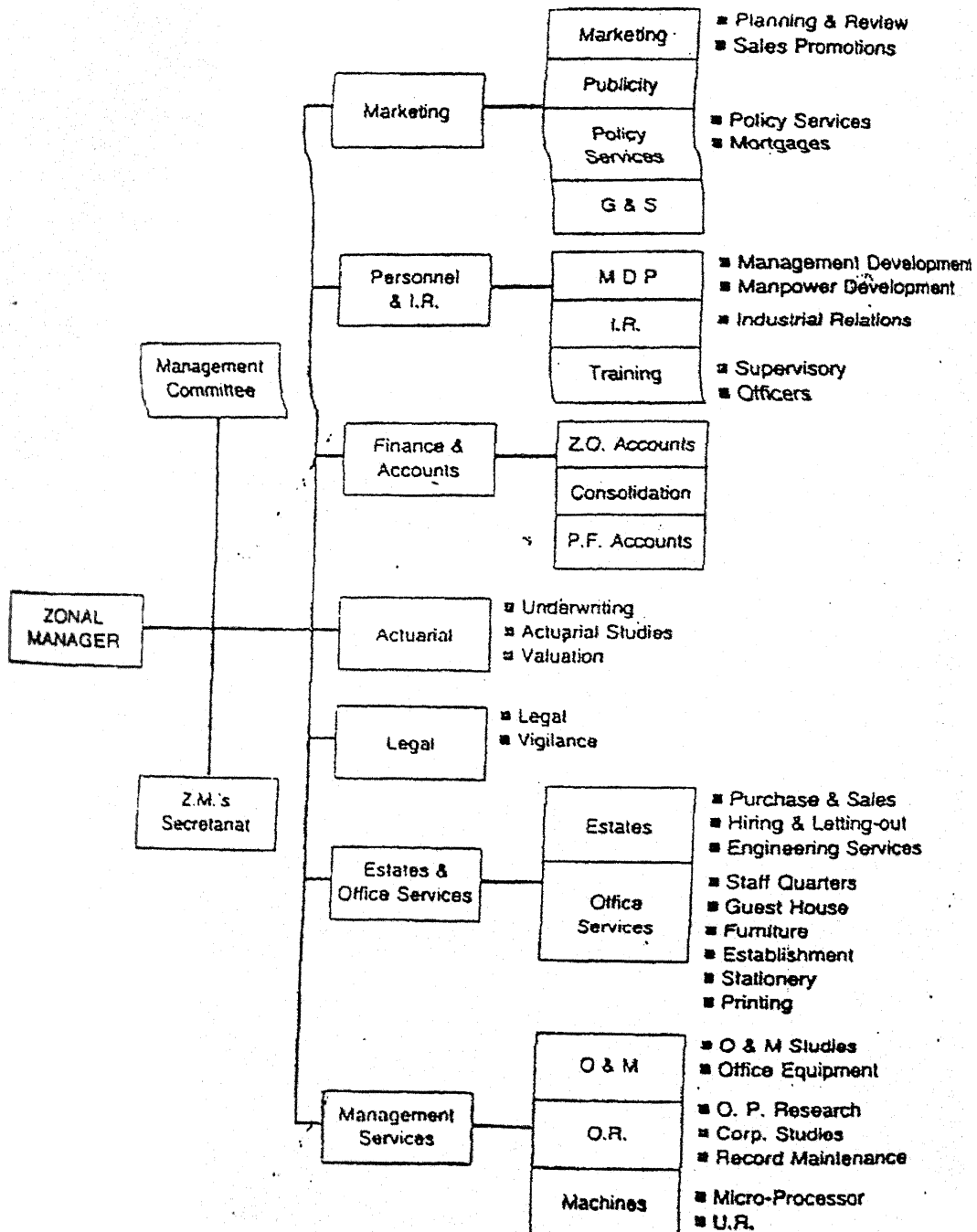
It is therefore essential that the agent should be fully conversant with the company profile. In a competitive environment he shall find it necessary not only to sell the concept of life insurance, but also the company which he represents.

Being a Government sponsored organization; the payment of policy money is guaranteed by the Govt. of India.

## LIC'S ORGANISATIONAL SET UP:

With its corporate office at Mumbai, it has 7 zonal offices in the metropolitan cities at Mumbai, Delhi, Kolkata, Chennai, Kanpur, Hyderabad

# ORGANISATION OF ZONAL OFFICE



and Bhopal. There are 101 Divisional Offices. Each of these zonal offices has several Divisional offices under their control and they are total hundred. Each divisional offices intern supervises the functioning of several Branch offices, which are marketing units directly selling and servicing insurance products. As on today there are 2048 branch offices spread in every nook and corner of the country. There are 69 P&GS Units.

At the field level, an insurance branch office has to have the departments dealing with marketing to guide and remunerate the field staff, the new business department to process the proposals for life insurance, an account department to collect and account the money received against the insurance policies, a policyholders servicing department to take care of change in address, surrender, loans and other varied needs of the policyholders during the continuance of the policy ending in the payment of maturity and death claims. A department of office services is required for the maintenance of the office building and staff.

The Divisional office at the next level has all the aforesaid departments to guide and supervise the corresponding departments at the Branch level. The Zonal office and the control offices are next in hierarchy. However the central office or the corporate office has an added function of investment of the surplus funds of the corporation. Valuation of the corporation assets and





liabilities at the end of the year is the responsibility of the corporate office with the data being supplied by the subordinate offices. Building activity is an important aspect in all insurance company's portfolios and therefore it has an important place in its organizational set up. Planning and training of personnel including field staff are necessary activities of any growing insurance organization. It has 29 satellite sampark. To support its activities it provided with the field force of 10, 35,097 agents.

## FROM INVESTING FUNDS TO EMPOWERING NATIONAL DEVELOPMENT

India is on the brink of a revolution in terms of social and economic growth. On a global scale, India's potential is on a par with the most technological, innovative and resourceful countries in the world. At LIC, they understand country's need of the hour-building the strong foundation for the big dreams to be launched. It is in accordance with this sense of responsibility that the Corporation has deployed its funds to the best advantage of its policy holders as well as nation at large, ensuring the nation's growth in terms of infrastructure, technology, housing, water supply, etc.

For 50 years, LIC has not only been excelling in its primary job of insurance, but it has also taken the centre stage in encouraging India's social and industrial development. To put a figure to fact, LIC's total contribution

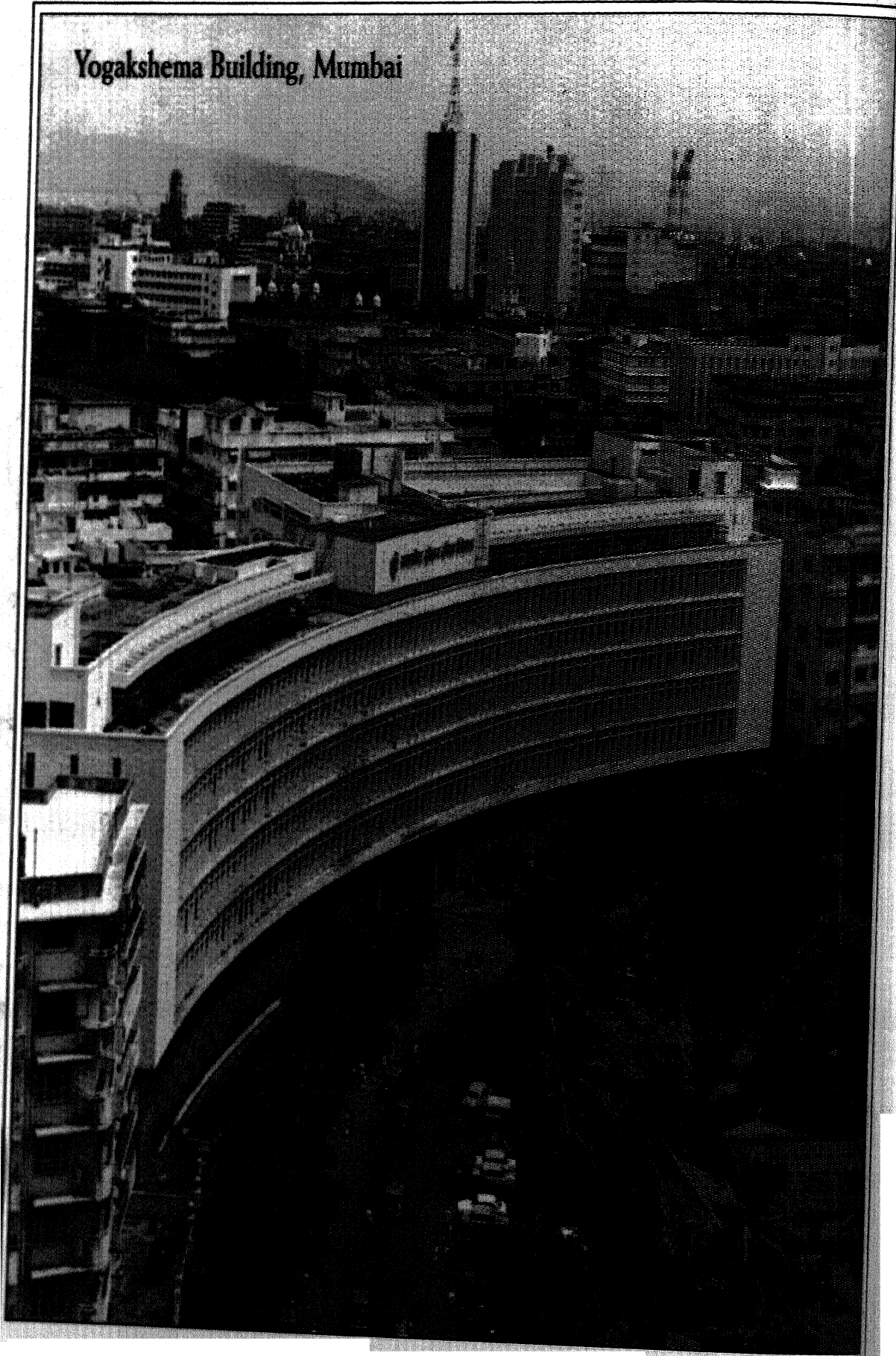
towards the benefits of community amounts to Rs. 3, 85,639.07 crore as on 31<sup>st</sup> march, 2005. LIC has extended its horizon to encompass different field of social welfare.

Not less than 75% of its accretion to the funds is invested in central government securities; government guaranteed marketable securities, loans in the socially oriented sectors for approved purposes such as power (electricity), housing, water supply and sewerage, road transport and co-operative industrial estates.

The Corporation currently provides financial assistance to state government for social housing schemes for economically weaker sections, low income groups, middle income groups, state government employees and rural population. The total contribution of LIC up to 31<sup>st</sup> March 2005 to housing development activities by way of loans/ bond to state governments, state level apex societies, HDFC, HUDCO, NHB, LICHFL, etc. and loans under mortgage housing scheme amounted to Rs. 21,436 crore.

LIC takes care that all Indian citizens have their fair and regular share of it. LIC's total investment to the tune of Rs. 10,346 crore speaks volumes of its endeavor in the field of water supply. While our nation works towards progress, LIC supplies the energy to sustain its ambitions. LIC is the single largest contributor in the progress of electrification schemes in the country.

Yogakshema Building, Mumbai



Its financial assistance to state electricity board / Power Corporation for power generation projects has grossed a whopping Rs. 25,727crore up to 31<sup>st</sup> March, 2005.

It is difficult for a nation to move ahead on the path of progress without a stable transport system. That's precisely why LIC has been assisting this vital cause with great determination. Transport infrastructure projects pertaining to rail, road, sea and air, have all been receiving due support from corporation in the form of investment to the tune of Rs. 2,463crore. The corporation has been assisting development of road transport by providing financial assistance to State Road Transport Corporation for augmenting their fleet of buses. The total investment in this field up to 31<sup>st</sup> March, 2005, amounted to Rs.1, 387crore. It's well understood by all that the crux of the nation's economic growth lies in its industrial development. Be it assisting big finance corporations like IDBI, IFCI, ICICI bank, etc. or helping small scale and medium scale industries, the LIC has been in the fore front to boost industrial growth in the country.

The total investment in the corporate sector made by way of loans on 31<sup>st</sup> March, 2005 was Rs. 9,963crore and by way of subscription to shares/debentures on the same date was Rs. 1, 04,568crore. Thus, the corporation has made a distinct contribution towards growth in industrialization

and generation of skilled and unskilled employment opportunities in the country. With a strong focus on industrial development, LIC helps the Indian economy self-sufficient and stable. LIC has been touching people's life in more ways than one, simply because they respect this glorious nation, in which we have witnessed immense growth since LIC's formation in 1956. LIC's investments lead our nation to a brighter and better tomorrow, boosting our nation's passion to surpass world standards and rise to the top. LIC would help India transform into the next super power.

### OBJECTIVES OF LIC:

- Spread life insurance widely and in particular to the rural areas and to the socially and economically backward classes with the view to reaching all insurable person in the country and providing them adequate financial cover against death at a reasonable cost
- Maximize mobilization of people's savings by making insurance – linked savings adequately attractive.
- Bear in mind, in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of the investors as well as community as a whole, keeping in view national priorities and obligations of attractive return.

- Conduct business with utmost economy and with the full realization that the money belongs to the policyholders.
- Act as trustees of the insured public in their individual and collective capacities.
- Meet the various life insurance needs of the community that would arise in the changing social and economic environment.
- Involve all people working in the Corporation to the best of their capabilities in furthering the interests of the insured public by providing efficient services with courtesy.
- Promote among all agents and employees of the Corporation a sense of participation, pride and job satisfaction through discharge of their duties with dedication towards achievement of corporate objectives.

## CORPORATE MISSION:

Any company, particularly in the services sector proclaims a mission, which is beyond its immediate concern. A mission statement enhances the image of an organization with a social outlook and contributing to the welfare of the society.

A life insurance company does contribute to the social welfare by making the life of old people, widows and orphans who have got the benefits of life insurance more comfortable. A mission statement induces its employees and

agents to work in the spirit of public good and thus make them feel proud of their activities. They not only sell life insurance but positively contribute to the prosperity of the country, the nation.

### **“MISSION STATEMENT”**

LIC of India declares its mission “to ensure and enhance the quality of life of people through financial security by providing life insurance products and services of high quality and by providing resources for economic development .“

### **VALUES**

LIC declares its values as “integrity and transparency, caring and courtesy, and initiative and innovation, quality and returns, participation and relationship, trustworthiness and reliability. “

### **LIC’s COMMITMENTS:**

#### **TO THE COMMUNITY AT LARGE**

- Provide insurance cover and financial security to every insurable person.
- Meet its insurance needs in consonance with the changing social economic environment.
- Cater to the insurance needs of the socially and economically weaker sections of the society through schemes specially designed for them.

- Conduct all aspects of our business keeping in view the interest of the community and the national priorities.

## **TO THE CUSTOMER**

- Provide them prompt, efficient and courteous services.
- Act as trustee of their funds and invest it to the best of their advantage.
- Conduct business with utmost economy and on sound business principles.
- Build and maintain enduring relationships.
- Keep the customer informed.

## **TO THE WORKFORCE**

- Promote a sense of participation and make them partners in progress.
- Work towards ensuring their job satisfaction and sense of pride.
- Provide environment and opportunities for growth to enable them to realize their full potential.
- Take steps to develop professional skills to enable them to handle their assignment more efficiently.



## STANDARDS OF PERFORMANCE OF DAY TO DAY ACTIVITIES:

- To reduce time lag by 50%
- Respond promptly to customers' written enquiries
- To settle maturity claims within due date
- Death claims within 60 days after receiving all requirements
- To improve the servicing of salary saving schemes
- Install interactive voice response systems(IVRS) in metropolitan cities
- Revise premium rates on the basis of latest mortality table
- Constitute Consumer Affairs Committee at the central office level
- Educate customer regarding its policies, product through information on the internet and press releases
- More transparency in dealing with its customers
- Accountability in its decision
- Increased product line to offer wider choice to the insuring public

However the mission statement does not give any legally enforceable right to its customers or employees to sue the company, whenever they feel aggrieved. It is merely a declaration of an objective to the achievement of which this organization shall make all efforts.

## STRENGTHS AND WEAKNESS:

When we talk of company profile we should also know about its strength and weakness as well. It should also be known why it stands better than other's why should a prospect insure with this company instead of any other.

1. LIC is a Government sponsored life insurance organization backed by the guarantee of the policy money by the Government.

2. Over the years, since 1957 to 2000, its growth has been phenomenal. Its new business in the year 1957, in terms of number of policies was a mere 81000 and sum assured 277 crores which in the year 1999-2000 stands at 170 lakhs and 91000 crores respectively. It is an increase of over two hundred times. The average sum assured increased from 3500 to 55000 per policy, which to a certain extent can be said due to inflation, but certainly speaks volumes about the insurance awareness created by LIC in the public. This awareness is the result of its steady growth in terms of opening of branches and appointment of development officers and agents.

Thus the growth in performance has been much faster than the growth in resources. This miracle has been possible by the unprecedented growth in productivity. There is no doubt that it has made gigantic strides. Large scale computerization at the branch level to facilitate processing of insurance proposals, accounting activities, policy servicing including payments of

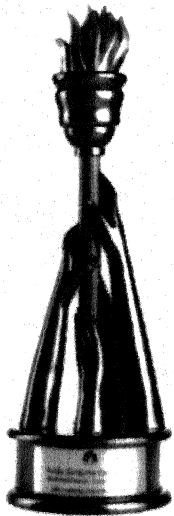
## Awards & Accolades



Golden Peacock Global Award  
Corporate Social Responsibility in emerging  
economies (Public Sector) for the year 2005  
from World Council for Corporate  
Governance. 233 companies from 31  
countries participated in this event.



Business Superbrand 2004-06,  
Superbrands India.



'Most Preferred Life Insurance  
Company', Awaaz Consumer  
Award, 2005.

Harmony Award for Corporate  
Video Film 'Atmavalokan' in the  
internal communication category,  
IIM, 1994, Delhi.



LIC stall received trophy for II Prize,  
Dr. Ambedkar's Birth Centenary  
celebrations in New Delhi, 1991.



Asia Insurance Industry Awards 2005,  
Merit Award, for  
Corporate Social Responsibility.

loans and claims, settlement of agents commission did help improvement in the standard of performance.

In spite of such phenomenal growth, the corporation is not complacent and engages itself in continuously making efforts to build a better image and preparing itself to face the challenges of competition.

- Its large workforce is both its strength and its liability.
- Although having extremely dedicated and experienced workers strong trade unions make adapting to changed conditions very difficult.
- Field force takes success for granted.
- Ethical values in dealings have not been adequately emphasized.
- The total premium growth has not kept pace with the Gross Domestic Product growth.

## THE REVOLUTION GOES ON.....

The year wise achievements of LIC

1967—IBM Unit record (punch cards) & Adrema Machines at 36 divisions catered to 539 branches.

1967—07/67 IBM 1401/1410 installed at Mumbai. EDP department started functioning.

1981—07/81 Board decided to change over to microprocessors for select divisions and big branches

1982—Microprocessors introduced in pilot Dos of Delhi, Bangalore & Cuddapah Divisions and their branches with 25,000 policies. ECIL- 2958 Mainframe installed at Mumbai

1983—in phase- 2,198 machines proposed for 21 Dos and their branches.

1985—ECR introduced in 03/85.

1986—Unit record machines completely phased out

1987—Microfilming introduced at CO

1992—DCU introduced in 03/92

1993—770 mainframe and micro, 325 PC+4PC LAN +339 DCUs to cover CO, 7ZOs, 100 Dos, 1906 branches.

1994—Special cell was set up for in- house development of front – end application software in CO.

1995—17/7/95 Front-end computerization started.

1996—114 branches on front-end application packages (FEAP).

1997—508 branches on FEAP. MAN at Mumbai.

1998—IVRS in Mumbai 1524 branches on FEAP. MAN &IVRS at Bangalore and Chennai.

1999—1934 branches on FEAP. MAN &IVRS at Delhi.

2000—Successful incorporation of the necessary changes to combat Y2K.

Establishment of divisional computer training centers (CTC) to train programmers and users in the FEAP modules, networking concepts and ever-changing developments in the field of IT on a continuous basis.

Change in nomenclature from “Data processing”(DP) to “Information technology”(IT).

Touch screen based multimedia kiosks installed.

2001—premium payment through Internet enabled in collaboration with banks and service providers for collection of premium.

2002—LIC Information centre established.

LIC set up call centre in 8 locations across the country.

Corporate Messaging Solution (CMS) implemented all the employees and branches provided with separate mail IDs.

Infomediary Package (as software package for field force) implemented.

Strategic MoU entered into with IIT, Chennai to impart training.

Migration from UNIX to LINUX.

2003—IVRS mapped to a unified access number-1251.

Introduction of payment of premium through ATM. A separate cell called premium collection management centre established.

NASSCOM Awards for the best IT user in insurance sector.

2004—Information technology co-ordination committee (ITCC) instituted.

Jeevan Vikas, Kanpur



Introduction of payment of premium through ECS & KIOSKS.

Vidyanet (an online training portal for agents) launched.

Implementation of middleware (EAI) started.

Information through SMS system to agents, employee and policyholders started.

2005—corporate IT security policy unveiled.

29 satellite sampark branches installed

Enterprise portals inaugurated on 15<sup>th</sup> November 2005

2038 branches networked

Network audit taken up for evaluating health and capacity of network

Migrated to variable length master format to incorporate history of transaction

Document management system project with the aim of moving away from physical access of documents required for servicing purposes in the regular course of business in the branches.

Data warehouses and data mining project with the aim of creating a huge central repository of all masters and transaction, both current and historical data and will provide on line analytical tools/MIS tools/ data mining tools that patterns and make predictive modeling.



# **CHAPTER II**

## **HUMAN RESOURCE DEVELOPMENT IN INSURANCE SECTOR**

HRD is mainly concerned with developing the skill, knowledge and competencies of people and it is people oriented concept. The concept of HRD was formally introduced by Leonard Madler in 1969 in a conference organized by the American society for training and development. HRD from organizational point of view is a process in which the employee of an organization are helped, motivated to acquire and develop technical, managerial and behavioral knowledge, skills and abilities, and mould the values, beliefs, attitude necessary to perform present and future goals by realizing highest human potential with a view to contribute positively to the organizational group individual and social goal

HRD is an integrated and interdisciplinary approach to the development of human resource in an organisation.

Acc. to **T.V.Rao** "HRD is a process in which the employees of an organisation are continually helped in planned way to:

- (a) Acquire or sharpen capabilities required to perform various function associated with their present or expected future role.
- (b) Develop their general capabilities as individual and discover and exploit their own organizational purposes.
- (c) Develop an organizational culture in which superior-subordinate relationship, teamwork and collaboration among subunits are strong

and contribute to the professional well being, motivation of employees.”

Acc. to **C. Leon Magginson** “HRD may be defined as development of people by providing the right environment where each individual may grow to his fullest potentialities. Human resources are viewed as total knowledge, skills, creative abilities, talents and aptitude of an organisation’s workforce as well as values, attitude and beliefs of individual involved.”

Acc. to **Ishwar Dayal** HRD involves:

- (a) Ways to better adjust the individual to his job and the environment.
- (b) The greatest involvement of an employee in various aspect of his work and
- (c) The greatest concern for enhancing the capabilities of the individuals.

Acc. to **Udai Pareek** “Broadly there are three meaning attached to the concept of HRD. In the first place, persons working in the organisation are regarded as a valuable resource implying that there is a need to invest time and effort in their development. Secondly they are human resource which means that they have their own special characteristics and, therefore cannot be treated as material resources. And thirdly the term human resources do not focus on employees and individuals but also in

other social realities, units and processes in the organisation. These include the role of a job a person has in the organisation, the dyadic unit, the various team in which people work, the inter team processes and the entity of the total organizations.”

## OBJECTIVE OF HRD:

The main objectives of HRD are as follows:-

- To provide a comprehensive framework for the overall development of the people in the organisation.
- To develop the constructive mind and overall personality of each and every person in the organisation.
- To develop the capabilities of each and every individual in respect of his present and expected future roles.
- To develop and maintain high level of motivation of employees.
- To develop the sense of team spirit, team work and inter team collaboration in the organisation.
- To develop the overall health and self renewing capabilities of the total organisation.
- To generate systematic information about human resource for the purpose of manpower planning, placement, succession planning and the like.

## HRD IN INDIAN INDUSTRY:

In India, a professional outlook to HRD began only in 1970's, even though the HRD processes might have existed to some extent in India earlier also. LARSEN and TURBO was the first company to design and implement an integrated HRD system. Later on this professional outlook to HRD spread to the other organisation. The workshop on HRD was held in 1979. the XLRI was the first academic institution to set up a full fledged centre of HRD. A national HRD Network has also been established in 1985. Looking at the payoffs from HRD system, several leading companies have gone ahead in creating separate HRD department to improve employer- employee relations. Some of these organisation areas follows:-

Larsen & Turbo

Asian Paints

Ashok Leyland

Crompton Greaves

Voltas

Bharat Heavy Electricals

Indian Oil Corporation

Steel Authority of India

State BANK of Baroda

A survey conducted by T.V.Rao to judge HRD climate in Indian organizations revealed that the general climate was not very conducive to HRD due to the general difference of employees to their own development. The top management in most of the organisation was not making sufficient efforts to improve the quality of work life.

With increasing competition due to globalization, companies now-a-days have revealed the importance of introducing systematic HR practices in a big way.

## CONTEMPORARY CHALLENGES IN HUMAN RESOURCE DEVELOPMENT:

Organization are confronted with challenges in improving productivity and in successfully meeting the intense level of international competition never seen before. At the same time organisation are being asked to provide and increase quality of work life and to comply with an extremely intricate and complex set of less guidelines and core decisions that governed the utilization of human resources. Since people are in away issues of importance and challenges to organisation, these issues are art of human resource development today.HRD has an opportunity to enable organization to survive and flourish which can be adhered by effectively utilizing the human resource of the organization.

The most difficult challenges facing HRD today is its significance to the rest of the organization, its benefits to the individual and organization both, its role in the organization to ensure that human resources are being utilized effectively and what can HRD do in the organization that is not currently being done. In order to address these contemporary challenges it is essential to know what human resource department in organizations do.

HRD is the recognition of the importance of an organization's work force as a vital human resources contributing to both the work force and the organisation, also the utilization of several functions and activities that they are used effectively and fairly for the benefit of the individual, the organisation and the society.

Business today is in a period of change and uncertainty. The success will largely depend on how these challenges are met and the utilization of human resources which is at our disposal. It has been very unfortunate that some organizations have restricted the role of human resource departments to a fundamental administrative arms, but the need of the hour is to put more emphasis on much larger role in the three main areas:-

#### STRATIGIC PLANNING:-

It is imperative that human resources is an integral part of the strategic planning process. Hence it can implement at an early stage the plans and

actions necessary to assure that the organization's human assets are sufficient to support the organizations future goals.

#### THE PRODUCTIVITY ISSUE:-

The issue of productivity should relate to our ability to compete successfully in the business world, market place and equally important inflation. It is imperative that most of our productivity gains will come from the use of technology but unfortunately there is a white collar section which is been neglected on productivity terms. The human resources function must be also apart of the new technology implemented to improve productivity.

#### MANAGERIAL STYLE:-

The human resource function should make sure that there is cohesive and consistent approach to management through out the organisation. The matter of consideration is not those we expect every organization's to be exactly alive. This is not possible due to the existing diversity in many corporation of today. Yet, there common parameters that can be applied through a corporation irrespective of its products or geographical diversity.

#### PEOPLE FACTOR:-

No area of management has been so neglected as on improving the way people work together. It is very unfortunate that inspite of the gift of inspiring loyalty and out standing performance of people available in the



organisation they are not properly being exploited. This tendency should be eliminated and a conducive environment should prevail.

#### **LEADER TRAID:-**

The approach of a leader plays a very significant role to lead the human resource functions in the direction of achieving organizational goals. In this respect it is to be noted that a leader should be a business person to know the corporation, its operations and its potentials. No amount of technical knowledge regarding recruitment, compensation, labour relations and similar specialized areas can substitute for this. Being a business person the leader will shape the HR programs that respond to the needs of the organisation. A leader must be a tough minded and courageous with an advance view point and also he must be imaginative and innovative.

Life Insurance Corporation is also confronting the above mentioned contemporary challenges in Human Resource Development.

#### **INSTRUMENTS AND MECHANISM OF HRD:**

The present day organization have traveled a long way from their traditional personnel function of focusing either on firefighting or on reactive compliance with Labour Laws to one development of Human Resource in the entire social system of the organisation consisting of individual, group and inter-group relation. Human Resource Development essentially involves

the creation of an environment in which flower of human knowledge, skills, capacities, capabilities, creativity blooms. It is thus obvious that Human Resource Development is not a single system or activity, but a package of system and processes through which knowledge, skill, information, insight, foresight, maturity and wisdom can be enhanced among the people to do the best for the organization.

### **Sub-systems of HRD programme.**

#### **PERFORMANCE APPRAISAL**

Performance appraisal is the process of assessing the performance and progress of an employee on a given job and his potential for future development. It consists of a formal procedure used in the organisation to evaluate personalities, contributions and potential of the employees. The objective of performance appraisal is to determine the present state of efficiency of an employee in order to establish the actual need for training. The important function of performance appraisal is to act as an instrument in the hands of the administration for the assessment of the actual performance of the individual within the service and regulate the ordered and just advancement. The process of performance appraisal consists of setting standards of performance, communicating the standards to the employees,

measuring the performance and comparing the actual performance with the set standards.

### POTENTIAL APPRAISAL

Potential appraisal is used for providing necessary data which helps in preparing career plans for individual. This technique aims at developing latent abilities of individuals. This is a process of developing in the employees capacities to perform new roles and responsibilities. This need is generally felt when the organisation is diversifying or changing. The major objective of potential appraisal is to ensure a good match between employee and the job. In this process having identified through the process of performance appraisal the employee who is ready to accept higher responsibilities, it is necessary to identify their potential through a variety of sources like temporary placement, special assignment, group discussion, psychological test and interviews.

### COUNSELLING AND MENTORING

Counseling is a two way process in which a counselor, usually a superior provides advice and assistance to their subordinates. Performance counseling means the help given to the subordinate by the superior in improving the formers performance. It is infact a process of guiding the subordinate to adjust better with his working environment and to better understand others

so that his dealings with them can be effective and purposeful. The main objective of the process is to make the employee recognize his own strengths and weaknesses. It also helps them to share and discuss their tensions, conflicts, concerns and problems so that the adverse impact on the productivity and well being can be thwarted.

### TRAINING

Training is an investment in the HRD process which gives dividends both in the short and the long run. The ultimate goal of training is to improve competence of the employees for raising the standards of organizational performance. An organisation can do better if it invests in technology development and improvement of human system, training is crucial for both of these. Lack of training may result in poor work performance, low production, demotivation and customer dissatisfaction. But HRD has to ensure that what has been learned is also practiced otherwise it is useless.

### BUILDING MORALE AND MOTIVATION AMONG THE EMPLOYEES OF AN ORGANISATION

The term motives can be defined as an inner state energize, activates or moves, and direct to channels behavior towards goal. The organisation must constantly give evidence to the belief that human resources in the organisation are the key to development. This requires a proper motivation

of the employees which provides a base for management function of planning and organizing. A climate of creativity must be developed and maintained by the management so that the performance level come up to the mark and growth becomes the way of life in the organization.

### DEVELOPMENT OF TEAM WORK

The HRD section may try to develop a habit of team work among the employees. Team work requires among other things that the members have an image of their team mates, which coincides as precisely as possible with reality. In addition each member must have a self image which adjust to reality as much as possible and thus, coincides with image the other members have of him.

### DEVELOPING EMOTIONAL INTELLIGENCE

Human resources are considered to be the greatest asset in any organisation. It is thus important to understand the role of emotional of intelligence in enhancing the productivity of the human resources to achieve the overall success. HRD should thus focus on enhancing the emotional intelligence of the organization.

### QUALITY CIRCLE

A quality circle is a small group of employees doing similar or related work who meet regularly to identify, analyze and to solve product related

problems and to improve general relation. The quality circle is generally autonomous bodies usually led by the supervisor or senior worker and organized as work units. The worker who have a shared area of responsibility meet periodically to discuss, analyze ad propose solution to the ongoing problems.

### APPRECIATION AND RECOGNITION OF EMPLOYEES

These have lately become the battle crises in the literature of motivation. It was William James who contended that “the deepest principle of human nature is the craving to be appreciated”. And this emotional force is at work in the organization, in the office or in the factory. It must be fair sincere and kept in proportion. When wisely applied it can do wonders in stimulating people to perform at their peak.

### UTILISATION OF POTENTIAL POWER OF EMPLOYEES

There is no shortage of tools and talents. Let each one be made aware of his untapped resource within and potential for his personal growth. Once people realize their true worth and hidden potential, they perform miracles.

### PERSONALITY IMPROVEMENT OF EMPLOYEES

Personality improvement brought about by a change in attitude is found to be most enduring. But formation of attitude comes throughout one's life and our own actual experiences will contribute to the strengthening or

weakening of our attitude. An organization must give a fair treatment to its employees, supervisors and through communication should promote a supportive culture of co-operation and collaboration in which people feel they are trusted, wanted valued also given reasonable freedom and autonomy to perform and contribute to the organization.

### IMPROVING EMPLOYEES THROUGH JOB IMPROVEMENT, JOB ENLARGEMENT AND JOB ENRICHMENT

Some jobs are routine in nature, lack task significance, provide little challenge and are less motivating. There are three key psychological states of a job holder which affect motivation and satisfaction on the job. They are “experienced meaningfulness”, “experienced responsibility” and “knowledge of results”. When an employee experiences these three states on the job, he feels internal motivation and the urge to perform well. Hence job redesigning should lead to job restructuring to reduce dissatisfaction. Job redesign will harness employees unused abilities and foster teamwork. Through enlarging employee’s discretion job redesign will make work more challenging and as a result raise both productivity and satisfaction.

### The approach of job enlargement

Combines task “horizontally” typically lengthening the work cycle, which in turn require additional skill and provide a greater sense of variety, task identity and accomplishment.

### The approach of job enrichment

Goes beyond enlargement in that it is “vertical” or quasi- managerial element, especially planning and inspection which contribute to employee’s sense of autonomy and control over their work.

### CAREER PLANNING FOR EMPLOYEES

The object here is to match individual desire and organizational opportunities. It should provide the each individual with the rich learning experience so that he has a productive and satisfying career. It must also provide continuing opportunities for the personal growth to the vast majority. Career planning should not merely help manager to step into someone else’s shoes but should be a planned attempt to make him out grow his shoes and step out of them. That is why in many organization managers are called upon to indicate their preferences so that the top management can take them into account to the extent possible.



## EMPHASIS ON EXCELLENCE

Excellence is the state of mind which prepares the employees to perform the duties with dedication. It also creates self reliance and helps him to have a vision and an urge to do better and an better HRD approach should include:

- Continuous training and development for all, especially attitudinal and multi-skilled training
- Performance planning and objective appraisal
- Emergence of self managing groups with less supervision
- Flexible attitude towards work and enriched job contents
- Constructive discipline preceding punitive discipline
- Meaningful participation of employees in the organization
- Creation of the will to work

## FLEXIBILITY

The HRD administrative machinery should become flexible and respond quickly and effectively to the changing environment as rigid and flexible system will not be able to deal with changing situation.

Thus opportunities should be created for the advancement of employees who are capable of accepting higher responsibilities, by giving them greater responsibility, authority, autonomy and rewards. High fliers tend to be very difficult to be maintained in the organization as they would leave the

organization as soon as they get a better and more suitable, satisfactory job for them. It is difficult to maintain such employees as they command a high market value. The talented among the “solid performers” who are the real weight carriers in an organization need to be convinced and motivated.

Thus the HRD approach focuses on the optimum utilization of valuable human resource through tapping their potential energy to vitalize, activate and renew an organization to generate dynamism and development. The magic formula for an effective HRD is to preserve the relevant, destroy the irrelevant and create what is needed.

## HUMAN RESOURCE NEEDS: PLANNING

The base upon which strong human resource development can be constructed is the planning for human resource. Human resource planning involves forecasting human resource needs for the organisation and planning the steps necessary to meet there needs. This may include developing and implementing plans and programs to ensure that the right number and type of individual are available at the right time and place to fulfill the organizational needs. Human resource planning ensures that organizations fulfill business plans in terms of financial objectives, output goals, product mix, technology and other requirements.

The purpose of human resource planning is:-

- to provide a better basis of planning employee's development that make optimum use of workers attitude.
- to reduce personnel cost by helping management to anticipate shortage or surplus of human resource and to correct these imbalances before they become too difficult to be managed and expensive.
- To improve the overall business process.
- to promote greater awareness and relevance for sound human resource development within the organisation.
- to provide tool for evaluating the effect of alternative human resource action and policies.

Due to the advent of computer technology all the above enumerated purposes are now more easily attained than before. The technology now allows maintaining vast human resource records, which facilitates in keeping a human resource information system. These records include information about employee job, performance, work experience and performance evaluations. They provide a job history of each employee in an organisation which facilitates the need of planning human resource in the interest of the individual as well as the organisation.

The important activities in this area are:-

1. Planning and forecasting the organizations both short term and long term requirements.
2. Analyzing the job in the organisation to determine the skill, knowledge and abilities that required in designing the job to accommodate the needs of both the organisation and individual.

The above mentioned activities assist in determining-

- How many and of what type employees are required today as well as tomorrow
- What should be the resource of obtaining the human resource
- The training requirement of the organisation

## GROWING SIGNIFICANCE:

The current relevance of human resource development is largely due to several trends and crises in the society and to recognize that HRD can significantly influence objective of the organisation.

FOLLOWING ARE THE TRENDS AND CRISES THAT INFLUENCE THE SIGNIFICANCE OF HRD AREA IN THE ORGANISATION

### **Human resource cost**

Today, corporation realize that it pays to be concerned with how they manage their human resources, for that, organization now know that their

important assets are not only financial but also having the right people at the right time, who can manage an organization effectively.

### **Productivity cost**

After a long period of time it is evident that productivity sharply declines and it is a threat to our economy, this emphasize the need for more effective utilization of human resources as this is the best hope of stopping the slope in productivity.

### **The pace and complexity of change**

Several ongoing changes in the cultural and educational levels and the social order of the country have contributed to the concern of Human Resource Development.

### **Symptoms at workplace**

Rapid social change has been accompanied by changes in the relationship between the worker and job. The emergence of work alienation, boredom and job dissatisfaction in the workplace.

These symptoms are often associated with decreasing motivation and increasing counter productive behavior and worker's demands on the workplace.

# **CHAPTER III**

## **RESEARCH METHODOLOGY**

Research is an essential and powerful tool in leading man towards progress. Without systematic research there would have been very little progress. John W. Best has rightly said, "The secret of our culture development has been research, pushing back the areas of ignorance by discovering new truths, which, in turn, lead to better ways of doing things and better products."

Scientific research leads to progress in some field of life. New products, new facts, new concepts and new ways of doing things are being found to ever increasing significant research in the physical, the biological, the social and the psychological fields. Research today is no longer confined to the science laboratory. The manufacturers, the agricultural experts and the archaeologists are carrying on research in their respective spheres, besides, the sociologists, anthropologist, economists and educationists.

### **CHARACTERISTICS:**

The following are the characteristics of research:-

1. Research is systematic
2. Research is logical
3. Research is Empirical
4. Research is Reductive
5. Research is Replaceable and Transmittable

## **APPROACH:**

For any investigation, research Methodology plays the most paramount role. With a view to achieve complete success in the field, a combination of direct approach, comprising of interviews and questionnaires methods and observation techniques are followed. The Questionnaires are comprehensive converting a series of questions pertaining to attitude, behaviors and other implements. During the process of investigation, it is clearly borne in mind that the success of field work primarily depends upon the sensitivity of the investigator to varied situation prevalent in the society and the personality of such people is formed the scope of this study.

## **RESEARCH DESIGN:**

The study is descriptive cum analytical type of research design. A research design is a plan, a plan for collecting and analyzing data in an economic, efficient and relevant manner. Accordingly at the very out set specific objectives are set to provide the basis of investigation.

The main objectives of the corporation in respect of HRD are as follows

1. Spread Life Insurance much more widely and in particular to the rural areas and to the socially and economically backward classes with a view to reaching all insurable persons in the country and



providing them adequate financial cover against death at a reasonable cost.

2. Maximize mobilization of people saving by making insurance linked savings adequately attractive.
3. Bear in mind , in the investment of funds, the primary obligation to its policyholders, whose money it holds in trust, without losing sight of the interest of the community as a whole; the funds to be deployed to the best advantage of to investors as well as the community.
4. Conduct business with utmost economy and with the full realization that moneys belong to the policyholders.
5. Act as trustees of the insured public in their individual and collective capacity.
6. Meet the various Life Insurance needs of the community that would arise in the changing social and economic environment.
7. Involve all people working in the corporation to the best of their capacity in furthering the interests of the insured public by providing efficient service with courtesy.
8. Promote amongst all agents and employees of the corporation a sense of participation, pride and job satisfaction through discharge of

their duties with dedication towards achievement of corporate objective.

Research design is a plan of action, a plan for collecting and analyzing data in an economic, efficient and relevant manner. Research design of this study was constructed to test a hypothesis and to give cause effects relationship to a situation.

The following four general rules were applied in planning the research design of this study:-

- i- Defined the nature and scope of the problem.
- ii- Specified the relative variable
- iii- Excluded the variables not relevant to the study
- iv- Started from logical hypothesis.

#### **STEPS TAKEN IN RESEARCH DESIGN:-**

The following steps are taken in research design of this study:-

**(a) Sources of Data:** Clearly and various sources of information such as library, personal documents, field work, a particular residential group etc. are collected.

**(b) Basis of Selection: -** An adequate and representative sample is selected. The Mechanics of drawing a random, start field, purposive, double

cluster or quota sample are followed carefully to produce a scientifically valid sample in an unbiased manner.

(c) **The problem selected** for study is defined clearly in operational terms so that the researcher knows positively what facts is looking for and what is relevant to the study. Besides the operational definition of the problem, the problem is selected.

(d) **Nature of the Study:** - The research design is expressed in relation to the nature of study to be undertaken. The choice of the statistical, experimental or comparative type of study is made at this stage so that the following steps in planning relevance to this problem;

- Objective of Study
- Social Cultural Context
- Temporal Context
- Dimension

### SAMPLING PROCEDURE:

In this study, the researcher has investigated the Human Resource Development in an Identified field i.e. Life Insurance Corporation of India. During the sampling of the thesis, the researcher dealt with the concept, development and present position of Human Resource Development in Life Insurance Corporation of India. The sampling procedure was also sought to

prove the various problems with which Life Insurance Corporation is confronted with. The focus of work is on suggestion to improve the Human Resource Development engaged in the Corporation.

This study is sampled to throw light on the proper HRD in the corporation. Further more, the study will add fervor to the existing literature on the subject as it is prepared new dimension of the development.

### **Main Features of Sampling Procedure:**

The Sampling procedure was followed on the following features

- (a) **Economy:** - The sampling procedure was much less expensive, much less time consuming.
- (b) **Reliability:** - Sample units are made with due care and the matter under survey are not being erogenous; the conclusion of the sample survey is almost the same reliability as those of census survey.
- (c) **Detailed Study:** - The number of sample units is fairly small these can be studied intensively and elaborately. They can be studied intensively and elaborately. They can be examined from multiple viewpoints.
- (d) **Scientific Base:** - This is a scientific sampling procedure because the conclusion derived from the study of certain units can be verified from other units.

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- (d) **Scientific Base:** - This is a scientific sampling procedure because the conclusion derived from the study of certain units can be verified from other units.

(e) **Greater Suitability in most Situations: -** Most of the surveys are made by the technique of sample survey, because wherever the matter is of a homogeneous nature, the examination of few units suffices.

Stratified Random sampling Method is adopted for the purpose of this study. It is the best method of selection. In this technique every item of the domain has an equal opportunity for selection and this selection is in no way influenced by personal bias and predilection of the investigator. No item is selected on account of likes or dislikes of the investigator and the selection is left entirely to chance. This provides every item fair and equal chance for selecting, so it is not investigator's whim but nature which determines the selection.

**Random sampling method was made in the following ways:-**

(1) **Lottery Method:-** This is the simplest way of making the selection. The number of items in a data were written on sheets of paper or cards and they are thrown into a box. The researcher blind-folding himself selected the number of items required in the sample. There was no partiality in favor of any item.

(2) **Selection from Sequential list: -** In this procedure units were broken up in Numerical and Alphabetical sequence. Researcher decided to

choose 1, 5, 10, and 15 so on, if the division is alphabetical the researcher preferred to choose every item starting a, e, j, n, s, etc.

## HPOTHESES:

Certain types of hypotheses may be tested directly. For example if the lamp failed to light when the switch was turned on, several hypotheses can be stated:

1. There has been a power interruption.
2. The extension cord was not properly connected to the wall outlet.
3. The bulb was defective or burned out.
4. The fuse was burned out.

Each of these hypotheses can be tested directly, by noting whether or not other lights would go on, by checking the wall plug or the fuse, and by substituting a bulb known to be in working condition.

In behavioral research many hypotheses cannot be tested directly. Since they deal with abstraction they must be tested indirectly. The researcher must set up some type of incident or sample of behavior that is concrete enough to observe directly. These observable incidents may then be judged to be consistent or inconsistent with the hypothesis, and the researcher may deduce the logical consequences of the hypothesis. If true, researcher might

expect to observe a consistent occurrence of certain behavior, if not true, an inconsistent occurrence.

For example, one might propose the hypothesis that orphaned children receive greater intellectual stimulation if placed in carefully selected foster homes than if placed under institutional care. Separating pairs of orphaned identical twins, placing one of each pair in a foster home and the other in an institution, might provide evidence. After a period of several years a test of intellectual status might provide an indirect test of hypothesis. If the hypothesis were true, the logical sequences would produce observation of significantly higher psychological test scores for those subjects placed in foster homes. Thus we deduce the consequences of the hypothesis.

Hypothesis will be a null hypothesis like for example—performance of the employees will not be affected by remuneration pattern, there is no comparison between the field staff and the office staff as their nature of job differs. Effective HRD leads to increased productivity. In- effective HRD is responsible for growing dissatisfaction among employees. In- effective HRD policies are responsible for lower turnover of business.

#### DATA COLLECTION:

For collecting information under the head of primary data the researcher has made use of basically one technique i.e. use of questionnaires. Another



method of collecting primary data is by having informal talks with the management and workman of the corporation.

**Secondary data were collected from the following sources:**

- (a) **Collection of facts and published Material:** A detailed bibliography of relevant literature comprising of books. Bulletins, journals, conference proceedings, newspapers and in acquaint was prepared.
- (b) **Visits of Libraries and Research Centers:** The researcher have visited various libraries and research centers make extensive literature survey in connection with Human resource development in life Insurance corporation
- (c) **Visits to various divisional offices & the Zonal office of the Corporation:** - The researcher visited the various Divisional offices and Kanpur Zonal office of Life Insurance Corporation of India.
- (d) **Group Discussion:** - For acquiring a clear cut opinion about the subject matter released to the research work group discussion has made. Participants in this discussion were mainly white color employees of different offices of the Corporation.

**Collection of Data:-**

Required data has been collected from primary as well as secondary sources:-

(i) **Primary Data :-** For the collection of primary data related to Human Resource Development and Life Insurance Corporation, a field survey was held of different office of the corporation.

(ii) **Secondary Data: -** Secondary data was collection from various statistical reports, annual reports, bulletins, journal etc.

### **FRAMING OF QUESTIONNIARES:-**

Questionnaires were made for gathering opinions from various offices related with Human Resource Development in Life Insurance Corporation of India.

### **STATISTICAL ANALYSIS:**

For statistical analysis the questionnaire was administered to officers and employees working in the corporation. As many as 110 officers were contacted, 50 in zonal office and 60 in Divisional office. The 50 officers in Zonal office including the audit Department were the officers present on the day of the survey. The sample consisted of almost the total population of the zonal office and Random sample from the Divisional office. Out of the 110 employees contacted, 90 employees had responded with the filled in questionnaire making the response ratio to about 82% which is a good enough response.

The questionnaire was analyzed. The mean of the squares for each question given by the 90 respondents were found as well as the standard deviation. The mean of the response to each question was also converted into percentage scores to make interpretations easy using the formula.

**PERCENTAGE SCORE = MEAN X 25**

This was done assuming that a score of 0 to the question represent 0 percent; a score of 1 represents 25 percent; a score of 2 represents 50 percent; a score of 3 represents 75 percent and a score of 4 represents 100 percent.

The overall Human Resource Development climate shows a mean of 2.34 or 58.5% using Rao & Abraham's Yardstick.

0	-	29% Very bad
30	-	39% Bad
40	-	40% Poor
50	-	59% Average
60	-	69% Good
70	-	Very Good

It would show that the overall Human Resource Development climate in the corporation, Divisional & Zonal office is of average kind.

Among the items, grouping the items dimension wise, the following results are seen:-

Supported HRD Practices	56.59%	Average
Top Management Support	58.25%	Average
Openness & Communication	62.80%	Good
Autonomy	61.12%	Good
Collaboration	5.50%	Good
Rewards	49.25%	Poor
Risk Taking	45.25%	Poor
Feed Back	41.93%	Poor
Responsibility	64.37%	Good
Trust	60.00%	Good
Team Spirit	68.75%	Good
Conflict Resolution	61.25%	Good

The employees show a “Good” O C T A P A C E culture in openness, collaboration communication, trust, team spirit, and Responsibility, autonomy, conflict resolution and efficiency.

But the “Supportive HRD Practices” followed by the organization and “Top Management Support”, “Reward” for good work done and “willingness to take risks” and “feed back sensitivity” are not that good. They have been seen either as “poor” or “average”.

# **CHAPTER IV**

## **POLICIES AND MEASURES IN LIC OF INDIA**

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## **CHALLENGES IN HUMAN RESOURCE PLANNING**

### **Human Resource Planning:-**

Human Resource planning is the process by which an organization ensures that it has the right number and kinds of people, at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives. The job of Human Resource planning encompasses the whole range of societal, demographic, economic, and economic and government regulatory factors which influence change in the present and the future workforce. For this reason, it requires perhaps the most expansive view of what is significant in the world outside the company. What kind of changes will affect the nature of tomorrow's workforce and what policies will best align the goals of that workforce with corporate goals. Human Resource planning is an integral part of corporate goals. Human Resource planning is an integral part of corporate goals. Human Resource planning is an integral part of corporate planning thus Human Resource people must be prepared to convert social and technical developments into hard facts to be involved in corporate strategic planning.

Effective human resource planning requires an appreciation of what might be called "relation's of change", of how the evolving forces that affect the labor force that affect the labour force interact with one another. The things that concern the modern human resource lanner is not limited to ones own company's welfare. And they are not influenced only be demographic trends in the population at large. Just as human resource is increasingly concerned with the whole person as an individual, planning for future human resource policies and objectives must be increasingly concerned with the whole person as an individual, planning for future human resource policies and objectives must be increasingly aware of the total external environment that will shape the kind of workforce, and its prevailing concerns on hand tomorrow.

These scenarios highlight several important aspects of human resource planning. One aspect is that human resource planning is growing in importance as quickly as human resource management itself because of vast number of changes occurring in society. These changes have much significant impact on the effective management of human resources. Consequently Human Resource Planning must be aware of these changes and be responsible for translating or relating these changes for the rest of the organization. In addition, Human Resource planning must develop Human

resource Management programs to effectively deal with the changes. When programs are developed and implemented they can assist an organization in surviving and being profitable.

Defined:-

“Human Resource planning is a strategy for the acquisition, utilization, improvement, and preservation of an enterprise’s Human Resource”

### STAINER

Challenges in Human Resource Planning:-

Human Resource planning is one of the most important elements in a successful Human Resource development program. In Life Insurance corporation the following are that challenges in Human Resource Planning:-

Human Resource planning begins by developing a profile of the current status of human resources. This is an internal analysis that includes an inventory of the workers and skills already available within the organization and a comprehensive job analysis.

In an era of complex computer systems it is not too difficult for an organization to generate a human resource inventory report. The input of this report derived from forms completed by employees and then checked by supervisors and the personal department. This report include a list of names,



education, training, proper employment, current position, performance ratings, salary level, languages spoken, capabilities and specialized skills for every employee in the organization.

The profile of human resource inventory provides crucial information for identifying current or future basis to the organization's ability to perform. It is pointed out that life Insurance corporation of India should use this information to identify specific variable that are assumed to have a particular relationship to training needs, productivity improvements, and succession planning.

3. On of the newer devices for providing skills inventory information's the human resource information system. This system is designed to quickly full fill the personnel information needs of the organization with almost no additional expenditure of resources. Its highly technical features permit an organization to track most information when it is needed. HRIS is useful for storing employment, training and compensation information on each storing employment, and training and compensation information on each employee in the corporation.

4. Demand for human resources is a result of demand for the organization's products or services. Its estimate of total revenue, the organization can attempt to establish the number and mix of human

resources needed to reach these revenues. In some cases, however, the situation may be reversed where particular skills are necessary and the supply of these skills is scarce, the availability of satisfactory human resources will determine revenues.

As a result, before it can be estimated future human resources needs, some formal statement is required of what course the organization plans to take in the future, defined in terms of the sales or revenue forecast. The forecast should include not only a base dollar amount but a breakdown on how these dollars have been generated. The particular products that management expects to sell or services that experts to provide are important inputs in the determination of the employee minimum necessary in organization in future periods.

5. An increase in the supply of any units human resources come from a combination of three sources: new hires, transfers-in, or individuals returning from leaves. The task of predicting these new is range from simple to complex.

New hires are easy to predict, since they are self-initiated. A unit recruits to its need, and hence, at least in the short term, the number and types of new hires that will be added can be determined with high accuracy.

Finally, the net effect on internal supply by people returning from leaves must be considered. This could include absence due to maternity, military or sabbatical leaves. Such increases, however, are usually easy to estimate, since they are usually for some fixed duration – to months, six months, two years, and so forth. Note that the law currently requires that individuals who take maternity and military leaves be guaranteed that their job, or an equal position, will be available to them on their return.

6. Decreases in the internal supply can come about through retirements, dismissals, transfers-out of the unit, layoff, voluntary quits, sabbaticals, prolonged illness, or deaths. Some of these occurrences are easier to predict than others.

The easiest to forecast are retirements, assuming that a specific age criterion exists within the organization. If mandatory retirement occurs at age sixty, there is no difficulty in forecasting. Those individuals reaching their sixtieth birthday will be required to terminate their ties with the organization. In some organizations, this can be modified by allowing the individual one year's delay; this can only be done with the agreement of both the employee and the organization. It is, totally controlled by management and easy to forecast accurately.

In between the extremes, transfers, layoffs, sabbaticals, and dismissals can be forecast within reasonable limits of accuracy. Since all four of these types of actions are controllable by management- that is they are either intimated by management or are within managements veto prerogative – cache type can be reasonable predicated.

7. Recent graduated from schools and colleges expand the supply of available human resources. This market is vast and includes everyone from school graduates to individuals who have received highly specialized training at the graduate's level. Entrants to the workforce from the sources other than school includes housewives who are seeking fulltime or part time work to supplement the family income, women returning to work on a full time basis in the capacity of primary breadwinner, students seeking part-time work, and individuals returning from military services.

It should be noted that consideration of only those supply sources identified above tends to understate the potential supply because many people can be retrained. Therefore, the potential supply can differ from what one might conclude by looking at the obvious sources of supply.

These an organization that is having difficult securing individuals with skills and experience in book editing could consider those candidates who have had recent journalism or similar experience and were interested in being

editors. In similar fashion, the potential supply for many others jobs can be expended.

8. The objectives of human resource planning is to bring together our forecast of future demand and supply, The result of this effort will be to pinpoints shortages both in number and in kind to highlights areas where over staffing may exist and to keep abreast of the opportunities that exist in the lab out market to hire good people, either to satisfy current needs or to stockpile for the future.

The most important concern is determination of shortages, an organization should fine that the demand for human resources will be increasing in the future, than it will have to hire additional staff or transfer people within the organization or both to balance the numbers, skills, mix and quality of its human resources.

By focusing on productivity, organizations are realizing that it is imperative to hire employees who can do the job and be successful at it. It behooves the organization to find these people, bring them into the organization, and maintain their services. That is sound human resource planning and implementation. In fact, it is the some thing which is regarded equal employment opportunity.

It is unfortunate that organizations had to suffer through poor economic times before they realized that many of their hiring practice and personnel philosophic were out of synchronization. They can no longer just hire to hire. And they can no longer rest on the d\belief that must realize that training the new employee and ting training for correct employee is necessary. And sound human resource planning is one of ensuring this.

Human resources planning are full of "should", but it is also influenced by "What is". Ideally, the "should" should include an effective in the years ahead, coupled with the skill levels required. Additionally, there should be succession plan, whereby individuals are targeted to fill positions when the incumbent leaves.

As technology keeps improving, more software will be developed to aid organizations in their human resources planning. The need is evident, as organizations in their human resources planning. Organizations must be able to plan for their future human resource requirements and ensure that a continual supply of talent is available and ready to move into managerial ranks when the time comes.

## JOB DESING AND JOB ANALYSIS

One of the most important factors that influence and employee's motivational level is the structure of his or her work. Is there a lot of variety

or is the job repetitive. Is the work closely supervised? Does the job allow the employees discretion? The answers to questions like these will have a major impact on the motivational properties inherent in the job and hence the level of productivity that an employee can expect to achieve.

### JOB DESIGN:-

There are no explicit elements in expectancy theory to suggest that the ways tasks are designed or scheduled will affect performance. However, the model takes into account various needs that workers seek to satisfy. Some of these can be, and should be, satisfied off the job. Since the time a person puts into job represents about 35 percent of one's working hours, there are ample opportunities for finding fulfillment and satisfaction from non-job-related activities. It can be argued that if jobs are a bore, there are sufficient opportunities for finding excitement off the job. On the other hand it can also be argued that jobs that are intrinsically rewarding those that offer challenge and greater freedom and that employees find interesting to provide motivation in themselves and will permit substantially less reliance on externally initiated motivators.

It is no secret that the vast majority of jobs in the United States today are highly specialized. Activities broken down into smaller and smaller tasks resulting in a large segment of the work force doing routine and repetitive

activities exiting hours a day five week forty eight to fifty weeks a year. To many people, this way of organizing work leaves lot to be desired. This becomes relevant when we see that employees place a great deal of importance on the type of work they do.

### **JOB ANALYSIS:-**

Recent years there was very little conscious effort to analyze the work carried out in an insurance office except in a very broad way. Now job analysis has become of considerable importance and more or less sophisticated system of job analysis are to be found covering wide area of the work especially the clerical and administrative work of most insurance offices.

Job analysis assesses what employee are doing from job analysis, specific details of what is being done and the skills utilized in the job, is obtained It enables managers to under stand jobs and job structures to improve the work flow or develop techniques to improve productivity.

Job analysis is a procedure by which patient information is obtained about a job. "It is a process of absorbing" and recording several job aspects including the task characteristics, task duties, behaviors, and requisite skill and abilities of job in a given organizational setting". In other words job analysis refers to the anatomy of the job.



Job analysis is a basis for or results in two components: Job Description and specification.

Job Description: - It is a written statement that explains the duties working conditions, and other aspects of a specified job. In other words, it tells us what is to be done and how it is to be done and “why”. It is a profile of the job.

Job Specification: - It describes what the job demands of employees, who do it and the human factors that, are required. In is profile of the human characteristics needed by the job. In other words, it is a standard of personnel and designates the qualities required for an acceptable performance.

## **JOB DESCRIPTION**

RECRUITMENT

- Duties
- Characteristics
- Conditions
- Purposes
- Standards

SELECTION

PERFORMANCE

APPRAISAL

## **JOB ANALYSIS**

### **DIMENSIONS**

## JOB SPECIFICATION

COMPENSATION

- Skills
- Knowledge
- Ability
- Preferences
- Interests
- Personality

TRAINING

AND

DEVELOPMENT

## JOB ANALYSIS RELATIONSHIPS:

### Contents of Job Analysis:-

A job Analysis provides the following information's:

- Job Identification: Its title, including its code numbers,
- Significant Characteristics of a Job: Its location, physical setting, Supervision, union jurisdiction, hazards and discomforts,
- What the typical worker does : Specific operation and tasks that up an assignment, their relative timing and importance, their simplicity, routine complexity, the responsibility or safety of others for property, funds, confidence and trust ;
- Which materials and equipment a worker uses ; Metal plastics, grains, yarns, milling machines, punch presses and micrometers,

- How a job is performed: Nature of operation – lifting handling, cleaning, washing, feeding, removing, drilling, deriving setting up and many others.
- Required personnel attributes: Experience, training apprenticeship physical demands, mental, capabilities, aptitudes, social skills,
- Job relationship: Experience required opportunities for advancement, patterns of promotions, essential co-operation, direction, or leadership from and for a job.

### The three Phases of Job Analysis Information

PREPERATION	COLLECTION	APPLICATIONS
	OF	
FOR JOB	JOB ANALYSIS	JOB ANALYSIS
ANALYSIS	INFORMATION	INFORMATION

Job analysis information provides the foundations of an organization human resource information system. Analysts seek to gain a general understanding of the organization and the work it performs. Then they design job analysis questionnaires to collect specific data about jobs, jobs holder characteristics, and job performance standards.

Job analysis information can be collected through interviews, mail questionnaires, employee logs, direct observation, or some combination of

these techniques. Once collected, the data are converted into such useful applications as job descriptions, job specifications, and job standards.

Job analysis information is important because it tells personal specialists what duties and responsibilities are assorted with each job.

Purpose and use of Job Analysis: The following are the purpose and use of job analysis:

- (i) Organization and Manpower planning.
- (ii) Job re-engineering
- (iii) Employee Training and Management Development
- (iv) Health and safety
- (v) Performance Appraisal
- (vi) Wage and salary administrations: By indicating the specific qualifications required for doing a specified job and the ranks and hazards involved in its performance it helps in salary and wage administration. It is used as a foundation for evaluation.

## THE JOB ANALYSIS FUNCTION IN LIFE INSURANCE CORPORATION

Some management scholars argue that staffing is not a separate function but is actually a part of organizing. But everyone in the life Insurance

Corporation believes that staffing at all levels is one of the major concerns of management. Staffing would be a major concern for two good reasons:-

First (and most important), in a field whose stock in trade is personal service the success of the whole enterprise often rests on the kind of employee and how ones performs a certain job.

A second for in the importance of staffing is significance of its cost. Life Insurance Corporation spends less then 10% of their sales on payroll costs. Aside from wage rates, another major contributor to high cost of labor is high turnover, because there are definite costs associated with hiring and training an employee.

Although some managers have always tried to choose the right person for the job, particularly in responsible positions, there was no general awareness of the importance of this practice. In some Divisional offices of the corporation tradition determine who would take a job.

A large number of successful, independent office owners appear to follow no format staffing procedures but they achieve effective results. But if they ignore formal procedures, these owners generally following informal procedures picked up through experience, in talking with competitors, etc. In practice, these informal procedures may come close to more formalized programs. These owners by and large, are the "old war horses". Although

their information procedures may come close to more formalized programs. These owners by and large are the "old war horses". Although their results are good, beginners would probably do better to start with proven fundamentals.

Some form of job analysis is been used to identify the categories of skill or aptitude required. It refers to a process of analyzing the demands which a job maker on the person performing it and the condition which it is to be performed. There are certain minimum standards for an applicant with regards to the following:

(a) Physical Requirements: An employee's job may require some minimum height requirements and his weight should be approx 45 kilogram. In the cadre of Assistant/ Higher Grade Assistant, the employee should be looking smart because the work of the corporation is only providing services to the policyholders.

(b) Mental or Intellectual ability: Desk Clarke and other public contact employees must be able to speak reasonable clear Hindi and English. An employee should be an intelligent person. He should have all the knowledge of the corporation's working and satisfying the customers.

The purpose of this process is that of securing a gift of person and work tasks. The variable requirements of the difficult jobs available in the

industry pose a general problem of ailing people with jobs appropriate to their personalities and abilities. It helps to define the aptitudes and skills and the desired participation of the workers required.

## **RECRUITMENT**

Recruitment means search of the prospective employees to suit the job requirements as represented by job specification a technique of job analysis, out of the prospective applicants, in right type of persons to match the jobs are selected for the job under placement the selected person is placed on the job which is most suited to him.

In the words of Dale.s.Beach, "Recruitment is the development and maintenance of adequate manpower resources. It involves the creation of a pool of available labour upon whom the organization can depend when it needs additional employees" \*1\*

According to Edwin Plopped, "Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organization".

### **Limitation:**

No employer could ever freely choose the "best candidate because various forces impugned upon the selection. Such constraints are:-

- Image of the organization

- Organizational Policy – promotion from within highly specialized.

- Job recruitment may limit the no. of applications- jobs.

- Compensating policy of the organization

- Employment status – (Full time job or) part time and temporary

- International Hiring Policies – foreign job opening to be staffed with local citizen

- Manpower Planning

- Government influence – policy Reservation

- Recruiter's Habit – E.g. Having inclination towards a particular source.

## **SOURCES**

In general, sources of manpower supplying can be classified into two broad categories –

- 1- Internal Sources

- 2- External sources

Internal sources:

- (i) Casual and Temporary workers

- (ii) Promotions

- (iii) Lay off personnel's



- (iv) Resigned persons may be called back

Merits:

- (a) It improved the morale of employees
- (b) It builds loyalty and creates a sense of sincerity among the employees.
- (c) It ensures stability and continuity in the organization.

JOB ANALYSIS

SELECTION

ORIENTATION TRAINING

HUMAN RESOURCE PLANS

PROCESS DEVELOPMENT PERFORMANCE

RECRUITS

APPRAISAL

COLLECTIVE ACTION

PERSONAL CONTROL

- (d) The employer is in a better position to evaluate the worth of the personnel.
- (e) They are tried people and can, therefore, be relied upon
- (f) The persons are familiar with the activities and requirements of the concern, and would require little training.
- (g) It encourages other executives and employees in the lower ranks to look forward for rising to higher levels.
- (h) It is less costly.

### Demerits:-

- (a) It often leads to inbreeding and discourage new blood from entering and organization.
- (b) It severely narrow the area of selection
- (c) It leads to stagnation and conservation in the services.
- (d) As promotion is based on seniority the danger is really capable ones may not be chosen
- (e) Since the learner does not know more than the Lecturer, no innovations worth the name can be made.

### External Sources:

It is always not possible to recruit the workers from within the employer has to go to external sources of manpower supply, Amongst the most commonly used outside sources are as follows :-

- (i) Contacts through present employees.
- (ii) The college students i.e. young mostly inexperience potential employees.
- (iii) The unemployed with a wide range of skills and abilities.
- (iv) Other not in the labors force.

### Merits:-

- (a) External sources provide the requisite type of personnel for an organization, having skill, training and education up to the required standard.
- (b) The new recruits are not reliable
- (c) Recruiting employees from outside the organization is costly affair.
- (d) This system suffers from what is called "brain drain" especially when experienced persons are raided or hunted by austere concerns.

### METHODS

The possible recruiting methods are summarized three categories:

- 1. Direct;
  - 2. Indirect; and
  - 3. Third party
- 1. Direct Method :
  - (1) Campus Interview
  - (2) From college and institution
  - (3) Unsolicited application

- (4) Universities sending bio-data directly to the organizations.
2. Indirect Method:-
- (i) Advertising in newspaper on the radio in trade and professional journals technical magazines and brochures.
3. Third Party Methods:-
- (i) Recruiting Agencies
  - (ii) Employment Exchange
  - (iii) Placement cells in the Universities.
  - (iv) Friends & relatives of working employees
  - (v) Voluntary organization.
  - (vi) Trade Unions and Association
  - (vii) Computer Data Banks
  - (viii) Private employment agencies.

The best management policy regarding recruitment is to look first within the organization. If that source fails external recruitment must be tackled.

## **SELECTION**

Selection is a process by which the qualified personnel can be chosen from the applicants who have offered their services to the organization for employment.

In the words of Dale Yoder, "Selection is the process in which candidates for employment are divided into two classes those who are to be offered employment and those who are not".

### **Selection Procedure**

The various steps in the selection of the desirable person in the employment of the organization should be finalized by the organization. The following are the important steps which must be passed satisfactorily by an applicant to be selected.

1. **Inviting Application:** - First step in the selection process is inviting application from prospective candidates. The main purpose of application is to obtain information in the applicant's own hand writing regarding his suitability for employment.
2. **Reception of Application:-**At the fixed date of selection the applicant are required to present themselves in the office of the company.
3. **Personality Tests** – To determine characteristics of the candidate to judge the emotional balance and temperamental qualities of a person.
4. **Judgments Tests** –To evaluate the ability to apply knowledge judiciously in solving a problem.
5. **Employment Interview:** - Perhaps this is the most complex and difficult part of the selection process. The purpose of interview is to

determine the suitability of the applicant for the job and of the job for the applicant.

6. **Reference Check :-** If the applicant crosses all the above hurdles, an investigation may be made on the references supplied by the applicant regarding his past employment education, character personal reputations etc.

7. **Medical Examination:** - It is a part of selection process for all suitable applicants. It is conducted after the final decision has been made to select the candidate. A thorough physical examination is also essential to be sure that the candidate is able to handle the job efficiently.

8. **Final Selection:** - If a candidate successfully overcomes all the obstacles or test given above would be declared selected. An appointment letter will be given to him mentioning the terms of appointment pay scales, post on which selected etc.

#### **DEPENDENCY OF P.M. ACTIVITIES ON THE SELECTION PROCESS**

Get reaction of paper	Evaluation	
Use body language	Termination	Stages In
Type of Questions	Information exchange	Typical
Heart of Interviewing	Creation of Report	Employment
What to Ask?	Interviewer preparations.	

INVITING APPLICATIONS	-----R
RECEPTION OF APPLICATIONS	-----E
PRELIMINARY INTERVIEW	-----J
APPLICATION BLANK	-----E
EMPLOYMENT TESTS	-----C
EMPLOYMENTS INTERVIEWS	-----T
REFERENCE CHECKS	-----I
MEDICAL EXAMINATION	-----O
FINAL SELECTION	-----N

## SUCCESSIVE HURDLES:

### Recruitment and selection in Life Insurance corporation:-

Recruitment is the process by which an organization secures the required human resources. It is the creation of a pool of human resources from which a selection can be made. This has been a major function of the specialist personnel department for most of its history.

In recent years much thought has been given, to staff recruitment in the corporation. At one time it was the common practice to recruit mainly male entrants with lot posts. Young women were generally recruited only for jobs which for many years have been recognized as almost exclusively female preserves, such as shorthand typists, other punch card operator and some time routine clerk.

A variety of reasons has caused a considerable change in the attitude of the corporation towards staff selection, all of them connected either with the need to ensure that an organizations labour force must be used to be of utmost efficiency or with the realization that selection for employment in present society is very much a two way process the organization must sell itself to the potential recruit to the same extent as the potential recruitment sell his services to the organization.

An organization did wish still to recruit mainly young man most of the best and indeed the great majority of such young men proceed to some form of further full time education, so that those who leave school at that level are generally not likely to be of the highest caliber and with rare exceptions are never likely to be suitable management material.

Corporation are seeking staff with a view to their future development , job evaluation studies in the corporation have often shown that the greater part of the clerical work can be performed by persons with little or no formal qualifications. It is wasteful to employ persons on work for which they are over qualified.

There has been a notable change in the attitude of the corporation's management toward the employment of women in insurance as the result of



more general changes in social attitudes in the corporation the major source of prospective employees is the operation itself i.e. the internal sources.

### **Internal Sources:-**

- 1. Present Employee:** Employees recommended their friends and relatives for work. A few employers pay a bonus to employees who refer applicant who take a job and stay in it for a specified period of time. They argue that hiring people who come with the recommendation of reliable employees increase the chances that the new employee will fit in with the existing organization. Because the person recommending the new employees has to go on record not only with the boss but also with fellow employees, one is likely to make recommendations continuously.
- 2. Former Employees:** - A second internal source very frequently tapped by the personnel managers in the corporation is the pool of former employees. These former employees may have left either to raise children or pursue further schooling some may have changed employers for what looked like a better opportunity the arguments put forward in favor of such former employees are that these

are a known quality they know the organization and its practices and thus they have an advantage over a new applicant.

Although internal sources offer the advantages of a known quantity, these sources are not able to supply enough people in today's tight human resources market and especially in the field of skilled manpower. Since these workers are inadequate the organization look outside also.

### **External Sources:-**

The two major means of contacting employees which is now been frequently used by the corporation, are through advertisements and employment agencies.

**1. Advertisements:** - The strengths and weaknesses of advertising lie in the number of applicant it generally yields. In a newspaper help wanted ad direct your request to a large readership from this large number of readers a good number of people are likely to apply . thus the employers are able to choose those who appear to be best qualified from among a large pool of applicant when several position are to be filled or when a new operation is being started the large number of applicants offer obvious advantages. On the other hand those large number can be a disadvantages dealing with a

great number of applicant is time consuming because applicant are members of the public that is members of the community from which the customers came. Each applicant must receive courteous attention of management risks losing their patronage or that of their relatives and acquaintances. Because applicant is members of the public that is members of the community from which the customers came each applicant must receive courteous attention of management risks losing their patronage or that of their relatives and acquaintances. Because of the time commitment necessary man employers use manpower advertising only if they have a number of positions to fill or especially for highly skilled jobs where there is an acute shortage.

**2. Private Employment Agencies:** - A few employers make it a point to become personally acquainted with the managers and private employment agencies. If the agency staff knows an employers applicant standards, the agency can save a great deal of time by screening applicant for the employer. The experienced counselor often helps employers make hiring choices and the counselor's recommendations can also influence suggests that the greatest users of these private employment agencies in the corporation are supervisory and executive personnel.

In addition to above the other external sources somewhat tapped by the employers in the corporation is campus interview especially for skilled manpower and occasionally through unsolicited applications.

To this point we have explored ways to determine what kind of employees is required and ways to contact potentials employees. We turn out attention now to the process of selecting and breaking in new workers.

**3. From Chartered Insurance Institute:** - One extremely useful and economic method of recruiting staff at certain levels is the appointments service o the chartered insurance institute. The service is available to insurance employees seeking trained professional personnel and on the other hand to diploma holders of the institute seeking a change of occupation the service is operated in the strictest confidence and allows diploma holders to register details of their careers qualifications, type of appointment sought and salary required all at no cost to the member.

The Selection process basically involves gathering classifying and analyzing information available from several sources an application blank often tells more than an applicant realizes. The applicant from usual helps screen out applicant retaining the ones that management is interested in interviewing. A form that suggests on organization approach of summarizing an interviews and an applicant evaluation are shown in the figures application are asked to

list their references and former employers on the application blanks, and these entries are checked. During the first part of interview any ambiguous information on the application is classified. The interviewer also gives to the applicant information about the company and the job this interchange helps most interviewers begin the process of sizing up the applicant determining what kind of a person he or she is and how he or she would get along with the present employees. Generally at the end of the interview the applicant is told whether or not he or she is to be hired.

Most employers maintain a file of applications from people who were not hired this person not chosen at one time may be contacted later.

In addition to the interview use of different types of employment tests are very common in the corporation for example trade tests are must for micro processor operator and punch card operator aptitude test for front office & sales personality tests for enquiry & public relation assistant etc.

## PERFORMANCE APPRAISAL:

In the whole organization matrix, people are probably the most frustrating for managers since they constitute the most difficult variable to control and predict. No matter how predictable society tries to make its members through its various socializing mechanisms people continue to give managers the most trouble managers an always complaining about those

workers if only they would do what we tell them or learn to follow instructions we would surpass all our quotas. It is this obsession with the product and the consequent neglect of human needs that could fill case history books with stories of management's insensitivity to workers. This insensitivity is often around the explained as a lack of worker activation.

Over the last five years many organizations have launched performance appraisal system, hoping to increase management's knowledge of strength and weaknesses and in turn focus human resource more effectively.

Every employees performance affects productivity some employees have a positive effect and some a negative one. But everybody contributes to overall performance of the organization. If managers can learn how to give clear precise and can did feedback in a manner that implies confidence and trust in the employees it is believed that this will reinforce an increased positive performance and redirect the negative.

The PAS is laying the foundation for effective management development by providing a database on performance potential; identify high performance and setting standards to which all employees can be held accountable. It has given us a realistic assessment of one corporation strength and has assisted them in development a corporate identity and common understanding of what will be required in this rapidly changing environment.

Evaluating employee's performance is an essential function that supervisors and employees perform informally on an on going basis. Most people seek feedback on their performance and those who manage others must evaluate individual performance in order to know what action to take. Although employees may learn about how well they are performing through informal means such as co-workers telling them what a great job they all doing or their supervisor giving them an occasional pat on the back but they are insufficient. Informal evaluations seldom leave any documentation of either good or poor performance because when performance is good that behavior should be reinforced likewise when performance is substandard the manager or supervisor must take corrective action.

"Performance Appraisal is defined here as a formal structured system of measuring, evaluating, and influencing an employee's job related attributes, behaviors an outcomes, and level of absenteeism, to discover at what level the employee is performing presently on the job. That is how productive, the employee is, and whether the employee can perform as or more effectively in the future so that the employee, organization, and society all benefit".

To account for all of the factors that affect this formal, structured system of measuring and evaluating performance, the term performance Appraisal system is used.

Performance Appraisal has strategic importance because an effectively designed performance appraisal serves as a contract between the organization and the employee. This contract help to act as control and evaluation system that enables performance appraisal to serve better a multitude of purposes.

### **PERFORMANCE STANDARDS:-**

Performance evaluation required performance standards. They are the bench marks against which performance is measured. To be effective they should relate to the desired results of each job. They cannot be set arbitrarily knowledge of these standards is collected through job analysis. Job analysis uncovers specific performance criteria by analyzing the performance of existing employees.

From the duties and standards listed in the job description, the analyst can decide which behavior are critical and should be evaluated. When this information is lacking or unclear, it standards are developed from observations of the job or discussions with the immediate supervisors.

### **PERFORMANCE MEASURES:-**

Performance evaluation also requires dependable performance measures.

They are the ratings used to evaluate performance. To be useful, they must



be easy to use, be reliable and report on the critical behavior that determines performance.

### **DIRECT VERSUS INDIRECT OBSERVATION OF PERFORMANCE:-**

The observation regarding performance can be made either directly or indirectly. Indirect observation occurs when the rater can evaluate only substitutes for actual performance e.g.; written test on procedures.

Direct Observation: - Occurs when the rater actually sees the performance e.g.:- a supervisor monitoring the procedures used.

### **OBJECTIVE VERSUS SUBJECTIVE MEASURES:-**

Another dimension of performance measures is whether they are objective or subjective. Objective performance measures are those indications of job performance that are verifiable by others. e.g. Gross unit produced scrap rates number of computational errors or some other mathematically precise measure of performance.

1. Management Development: It provides a frame work for future employee development by identifying and preparing individuals for increased responsibilities.

2. Performance measurement: It establishes the relative value of an individual's contribution to the company and helps evaluate individual accomplishments.

3. Performance improvement: It encourages continued successful performance and identifies individual's weakness to make employees more effective and productive.
4. Compensation: It helps determine appropriate pay for performance and equitable salary and bonus incentive based on merit or results.
5. Identification of Potential: It identifies candidates for promotion.
6. Feedback: It outlines what is expected from employees against actual performance level.
7. Human Resource planning: It audits management talent to evaluate the present supply of human resources for replacement planning.
8. Communications: It provides a format for dialogue between superior and sub-ordinate and improves understanding of personal goals and concerns. This can also have the effect of increasing the trust between the rater and the ratee.

Other purpose of performance appraisal is foot only terminations, internal recruitment and research. As shorthand, these many purposes are often condensed into two general categories.

#### **METHODS:-**

**Past Oriented Methods:** In importance of performance evaluations has led academicians and practitioners to treat many methods to apprise past

performance. Most of these techniques are a direct attempt to minimize some particular problem found in other approaches. No one technique is perfect each has advantages and disadvantages.

Past accented approaches has the advantage of dealing with the performance that has already occurred and to some degree, can be measured the obvious disadvantage is the past performance can not be changed. But by evaluating past performance, employees can get feedback about their efforts. This feedback then may lead to renewed efforts at improved performance. The most widely used appraisal techniques that have a past orientation include.

**Rating Scale** :perhaps the oldest and most widely used form of performance appraisal is the rating scale, which requires the rater to provide a subjective evaluation of an individual's performance along a scale from low to high. The evaluation is based solely on the opinion of the rater, although subordinates or peers may use it the form is usually completed by the immediate supervisor, who checks the most appropriate response for each performance dimension. Responses may be given numerical values to enable an average score to be computed and compared for each employee. The number of points attached may be linked to salary increase; so many points equal a raise of some percentage. Usually, they are quantitative.

Subjective performance measures are those ratings that are not verifiable by others. Usually, such measures are the rater's personal opinion. These are low in accuracy. Accuracy is likely to be even lower when the rater uses an indirect observation.

**Rater Biases:** The problem with subjective measures is the opportunity for bias; Bias is the inaccurate distortion of a measurement. It is usually caused by raters who fail to remain emotionally unattached while they evaluate employee's performance. The most common rater biases include:-

**The Halo effect:** The halo effect occurs when the rater's personal opinion of the employee sways the rater's measurement of performance e.g.; Supervisor personal liking or disliking of an employee.

**The effort of central Tendency:** Some raters do not like to rate employees as effective or ineffective and each employee appears to be average.

**The leniency and strictness biases:** The leniency basis results when raters tend to be easy in evaluating the performance of employees. The strictness basis is just opposite. It results from raters being too harsh in their evaluation of performance.

**Personal prejudice:** A rater's dislike for a group or class or people may distort the ratings those people receive.

Halo effect                      effect                      one's judgment of individual

Prejudice effect entire groups.

The recent effect; Ratings are effected strongly by the employee's most recent actions. Recent action either good or bad is more likely to be remembered by the rater.

Advantage of this method is that it is inexpensive to develop and administer, rater's need little, training or time to complete the form, and it can be applied to a large number of employees.

Excellent	good	Acceptable	Fair	Poor
5	4	3	2	1

1. Dependability

2. Initiative

3. Overall output

4. Attendance

5. Attitude

6.

7.

8.

9.

Totals:-

Disadvantages are numerous a raters' biases are likely to be reflected in a subjective instrument of this type. Specific performance criteria may be omitted to make the form applicable to a variety of jobs.

**Check List:** The check list rating method requires the rater to select statements or work that describes the employee's performance and characteristics. Again, the rater is usually the immediate superior. But unknown to the rater, the personal may assign weights to different items on the check list, according to each items importance.

The advantages of a checklist are economy, ease of administration, limited training of raters, and standardification. The disadvantages include susceptibility to rater biases (especially the halo effect), use of personality criteria instead of performance criteria, misinterpretation of checklist items, and use if improper weights the personnel department. Moreover, it does not allow the rater to give relative rating. On item 1 in figure, for e.g. .; - employees who gladly work overtime get same score and those who do so unwillingly.

Weights:

1. Employee works overtime when asked.
2. Employee keeps work station or desk well organized
3. Employee cooperatively assists others who need help.

4. Employee plans actions before beginning job.

**Forced Choice Method:** This method attempts to correct a rater's tendency to give consistently high or low ratings to all the employees. Under this method the rating elements are several sets of paired phrases or adjectives relating to job proficiency or personal qualifications. The rater is asked to indicate which of the four phrases is most and least descriptive of the employees e.g.:-

1. Learns Quickly. ....works hard.
2. Work is reliable and accurate.....  
Performance is example to others.
3. Absent too often ..... usually tardy.

**Critical Incident Method:** The essence of this method is that it attempts to measure the worker's performance in terms of certain "events" or "episodes" that occur in the performance of the rate's job. These events are known as "critical - incidents". The supervisor keep a written record of the events (either good or bad) that can easily be recalled and used in the cause of a periodical or format –

Appraisal. Limitation and negative incidents more noticeable.

Performance Tests and observations:-

Based on test on knowledge or skills –

### Group Evaluation Methods;

1. Ranking Method
2. Point allocation Method
3. Paired comparisons
4. Forced Distribution : Requires raters to sort

Employees into different grades.

### **Future Oriented Appraisal:**

1. Self Appraisal
2. Psychological Appraisal – Employing all time psychologists and one through in-depth interviews, psychological tests discussion with supervisors etc.
3. Management – by – objective approach.
4. Assessment Centers: Standardized for of employee appraisal that relies on multiple types of evaluations and multiple raters.

### **PERFORMANCE APPRAISAL IN LIFE INSURANCE CORPORATION:**

The basic concept of Human Resource Development in Life Insurance corporation of India is that the human potential inherent in every human being is vast and it can be further enhanced by various interventions like training, job rotation, performance appraisal, counseling, etc. of the various



system available for the development of the employees in an organization performance appraisal is very significant and far-reaching.

The use of performance appraisal as a development tool in the corporation, it is important that there should be a clear cut goals and standards for every employee in the organization. Ones should know his responsibilities, the expectations of the organization and in what manner ones should canalize ones energies to make his role effective. The job should provide opportunities for the employee to fully utilize his knowledge, skill and energy so that one can aim at full productivity. There is bound to be full commitment from the employee if there is greater of his personal capacity and talents.

### **Methods Used by Life Insurance Corporation**

To achieve the objectives of the corporation, a variety of performance appraisal methods have been developed. The choice of method depends on the manager of the corporation. Some of the most prevalent methods are as follows.

#### **1. Confidential Reports:-**

The manager of corporation makes an evaluation of such characteristics of the subordinates as intelligence, loyalty, attendance, conduct. It is assumed that since the immediate superior is one who has maximum contact with the

person assessed he is the best person to evaluate him. The following points are being kept in mind while sending confidential report of the employees.

- The confidential report is kept closed except for the remarks of the reporting officer one's self appraisal.
- Self appraisal begins from sub-staff employees and above.
- The confidential report for the officer's fare totally abolished because their jobs do not lend to confidential report writing. In the place of confidential report W.P.R. is filled by the officer himself.

## **2. Graphic Rating:-**

It consists of a number of characteristics and qualities which are judged on a point scale. The extreme points on the scale refer to the points of judgment. The characteristics could be quantity and quality of work, job knowledge, co-cooperativeness, dependability, industriousness, attitude, initiative, leadership etc. the supervisor evaluates these characteristics on point scales ranging from high to low excelled to poor etc. A rating scale is given below.

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Excellent	Very good	Good	Average	Poor
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Job knowledge

Quality of work

Quantity of work

Dependability

Attitude

### **3. Incentives:-**

Wage incentive is extra financial motivation. A wage incentive scheme is the payment for work of an acceptable quality produced over and above a specified quality of standards.

Business of the corporation is to sell more and more policies to the public. This work is used to be done only by the development officer. Their incentives are calculated at the end of every financial year.

One of the major pit-falls in the actual operation of the system in the corporation is that the managers at different levels do not have the experience in conducting performance review and analysis with the result that they may often make snap judgment. It may therefore, be necessary for the managers to undergo the necessary training for appreciating the philosophy of human resource development as a whole and the various subsystems through which development of the employees can be achieved.

Performance appraisal could, thus be seen as an objective method of judging the relative worth or ability of an individual employee in performing his tasks. If objectives done, the appraisal can help identify a better worker from a poor one.

In the corporation periodic assessment should be done to take stock of the situation. It may be necessary to revise the goals and make any addition or deletion in the light of fresh data available. This will strengthen the supervisor-subordinate relationship and develop an organizational culture. In which team work and collaboration would be strong and employees would be motivated to achieve better results.

(ii)

## **TRAINING AND DEVELOPMENT**

### **Challenges:**

A major purpose of training and development is to remove performance deficiencies. Training for performance improvements is particularly important to organization with stagnant or declining rates of productivity. Training is also important to organization that are rapidly incorporating new technologies and consequently increasing the likelihood of employee obsolescence.

Another purpose of training and development that is especially relevant to organization that is rapidly incorporating new technologies is that of making the current work force more flexible and adaptable. Training and development can also increase the level of commitment of employees to the organization and increase their perceptions that the organization is a good place to work.

### **The Challenges in training and Development:-**

- What is the best way to train employees?
- Training and development programs never seem to work for very long. A program people just go about doing what they did before how can the

effects of training and development programs be made to last ?

- Who should be trained how can organizations determine who should be trained and what type of training should be offered?
- How can the effectiveness of training and development programs be assessed.

It can examine training and development with keeping above challenges in mind in Life Insurance Corporation of India.

### **DETERMINING TRAINING AND DEVELOPMENT NEEDS**

Training and development needs involve establishing areas where individuals (employee) lack skill, knowledge and ability in effectively performing the job and also identifying organizational constraints that are creating roadblocks in the performance.

Training and development programs are necessary in any organization for improving the quality of work of the employees at all levels, particularly in a world of fast changing technology, changing values and environment.

Training is a short term process utilizing a systematic and organized procedure by which non managerial personnel acquire technical knowledge and skills for definite purpose. It refers to instructions in technical &

mechanical operations. Like operation of some machine. It is designed primarily for non managers it is for a short duration and it is for specific job related process.

Development means to prepare people to perform work beyond that which currently engages them and to accept responsibilities greater than they now have.

Training and development in this broader sense rest on a perception that a person learns both to be and to do largely through experience which may be product of such learning's and an appreciation of how ones learns is a requisite of any training activity.

### **Training and Development Needs**

The total need can be determined by analyzing the situation in respect of each skill and each number of the workforce. This can be done in the following ways:-

1. Analysis of an activity: - List in a logical sequence the activities in producing a product or services or part thereof and determine what new knowledge or skill is called for or which aspects of peer present knowledge or skill need to be modified.
2. Analysis of Problems: - To analyze problems and determine what additional skills, knowledge or insights are required to handle it

3. Analysis of Behavior: - To analyze typical behavior by individuals or groups and determine the corrective action involving training.
4. Appraisal of Performance: - To analyze performance and determine if someone should get something be it additional knowledge skill or understanding.
5. Brain Storming: - To bring together a homogenous group and to ask individuals in the group to call on any ideas they have for answering how to question and identify items which call for additional knowledge skill or attitude.
6. Checklist: - To breakdown a job, process, programmed, activity or area of responsibility into a list of detailed parts of steps arranged in logical sequence. Then to have checked off by each employee the items about which he feels he would like to have more skill or knowledge.
7. Committee: - To constitute an advisory committee composed of persons responsible for or with a direct interest in an activity to identify training needs.
8. Consultants: - To employ outside consultants to determine training and developmental needs and develop ways to meet them.



9. Counseling: - To discuss between a training practitioner and a person seeking guidance regarding ways he can improve his on the job performance or prepare for advancement.
10. Observation: - To observe such things as may have values as indicators of training needs, especially the needs which are just under the surface or emerging.
11. Role Playing: - To get clues to his training needs in a skill area of knowledge or in understanding or attitude by observing how each role player acts in a role playing situation.
12. Studies: - To undertake studies which can turn up training needs which will have to be met if the plans were adopted.
13. Tests: - To perform tests to measure skill knowledge or attitude and to identify gaps.
14. Questionnaire: - To develop a questionnaire, to illicit information which can be used to determine training needs delimit the scope of the training identify course contents etc.

Formal training activity rests on the belief that there are correct or incorrect or desired and undesired ways of responding to situations and that the trainer will stimulate & encourage the trainee to adopt the correct modes and avoid the incorrect ones. This need not imply that

there is only one correct way but it does imply that those offering training are in a position to arbitrate between the correct and incorrect ones. The more complex is the response to be learned the more necessary is it that something more than mere experience is available to the learners.

Training and development requires a basically systematic approach and structure but a flexible application to accommodate individuals (trainees) differences.

## IMPLEMENTING TRAINING AND DEVELOPMENT PROGRAM:

The method of training and development program to be adopted are likely to respond to the complexity of the matter to be learned and the capacity of the trainers learning but in addition they are likely to be influenced by other constraining factors such as the time and physical and human resources available and the cost of using them.

Training and Development program comprise a whole range of location, technologies and skills. The vocational choices can generally be classified as under:-

### **On- The – job Training:**

It may occur either in the work area under the control of either the supervisor or the specialist training officer. It may comprise a formal course or involve the trainee in projects or assignments. The facility may be used in the employee's time or in the employee's own time.

### **Of – the- job Training:**

It may be provided under full and time supervisor in an area away from the normal work place and using a properly defined syllabus, or it may involve the use of external education and training organization ranging from universities and colleges to industry and company staff colleges and consultants training facilities.

A good deal of personnel development takes place on an individual's basis, with the person privately pursuing of study either in some educational establishment or through correspondence.

In recent years, improvement in communication technologies have made many new supports of training available. These are often included under headings of audio visual aids or educational technologies and include various types of image projectors cassettes and videos.

### **Specific Method of Training and Development Program:-**

A number of district methods of implementing training and development programs are available and many may be used internally or externally, according to the particular objectives sought and the learning capacities and styles of those involves.

- (a) **ON THE JOB TRAINING:-**An employee is placed in a new job and is told how it is to be performed. It aims at developing skills and habit consistent with the existing practices of an organization and by orienting him to his immediate problems. A variety of training aids and techniques are used such as procedure charges lecture, aids and techniques are used such as procedure charges lecture, manuals sample problems demonstration etc.
- (b) **VESTIBULE TRAINING:** - It involves classroom training theoretical training is given in the classroom while practical work is conducted on the production line.
- (c) **SIMULATION:** - It is an extension of vestibule training the trainee work is in closely duplicated real job conditions. This is essential in cases in which actual on-the-job- practice is expensive.

- (d) **DEMONSTRATION AND EXAMPLES:** - Here the trainer describe and demonstrate how to do a certain work. He performs the activity himself going through a step by step explanation of the why. How and what of what he is doing.
- (e) **LECTURER:-**You are formally organized talks by an instructor or specific topics. The method is useful when philosophy, concept, attitude, theories and problems solving have to be discussed.
- (f) **CONFERENCE:** - Under this method a conference is held in accordance with an organized plan. Mutual problem are discussed and participants pool their ideas and experiences. The members of the group come to teach each other and to learn together.
- (g) **SEMINAR OR TEAM DISCUSSION:** - The group learns through discussion of a paper on selected subject. The material to be analyzed is distribution in advance in the form of required reading.
- (h) **CASE DISCUSSION:** - Under this method a real or hypothetical business problem or situation demanding

solution, is presented to the group and members are trained to identify the problem present they must suggest various alternatives for tackling them. Analyze each one of these find out there comparative suitability and decide for themselves the best solution. It encourages open mildness patient listening respecting others views and integrating the knowledge obtained from different basic disciplines.

- (i) **ROLE PLAYING:** - Here trainees act out a given role s they would in stage play. It is method of human interaction which involves realistic behavior in an imaginary or hypothetical situation.
- (j) **SENSITIVITY TRAINING:** - Members are brought together in a free and open environment in which participant discuss them and their interactive processes. It aims at improve listening skills, greater openness, increase tolerance for differences and improve conflict resolution skills.
- (k) **SUPERVISORY TRAINING:** - Supervisors are trained for technical skills leadership qualities for handling

machines and men. National productivity council and central labor institute Bombay have done significant work in this area.

**(l) MANAGEMENT TRAINING:** - This type of training is for managers these training programs emphasize attitude and value conceptual knowledge analytical abilities and decision making skills. The purpose is to equip managerial personnel for management roles.

**(m) INDUCTION TRAINING:** - Where in a new recruit is introduced to the organization condition of service rules of behavior etc. in addition it is also given to familiarize a new entrants with the job.

Above methods of implementing training and development programs are standard programs the choice depends on the training needs and the contents of training for example induction training which is meant to introduce a new employee to the company people and job is organized for all levels. The only differences are in the contents which reflect the need. So the senior managers may get a lot of exposures to the organizational culture in such programs while workers may be given more data on terms and conditions of employment of working conditions.

Successful implementation of training and development programs depends on selecting the right programs for the right people under the right conditions. Needs Analysis help identify the right people and the right programs, and several training and development consideration help make the right conditions.

These are several consideration associated with implementing training and development programs. Each of these programs must be appropriately addressed in order to increase the chances of the program being effective.

These considerations are:-

- Who participates in the program
- Who teaches the program
- What media are used to teach
- What the level of learning is to be
- Where the program is conducted.

With these consideration in mind, the personnel and human resource manager selects in training and development program from among the many that are available selection depends upon a knowledge of the programs that are available and the types of skills and level at which the program is best directed.



## IMPROVING PRODUCTIVITY AND QUALITY OF WORKING LIFE:

It is impossible to measure the output or input of an organization. It is also impossible to measure the work that individual employees do in these types of organization such individual employees do in these types of organization such as life Insurance corporation Banks, G.I.C. etc. for example where most white color operations are managed by people not accustomed to measuring work outcomes, while color productivity could not be measure. It is recognized that go get improvement in productivity, it has to be measured and in order to measure productivity it has to be defined for measuring productivity for their white color operations as what it produced divided by the number of employee hours needed to produce it with the result expressed in hours per unit of work accomplished.

Quality of work life has assumed increasing interest and importance in both industrialized as well as developing countries of the world. In India its scope seems to be broader than many labor legislations enacted to protect the workers. It is more than a sheet work organization movement which focuses on job security and economic growth to the employees

Quality of work life is a process of work organizations which enables fits members at all levels to activity participate is shaping the organization

environments methods and outcomes this value based process is aimed towards meeting the twin goals of enhanced effectiveness of organization and improved quality of work life at work for employee. It is an internationally designed effort to bring about increased labor management co-operation to jointly solve the problems of improving organizational performance and employee satisfaction.

A number of attempts have been made to identify various dimensions of this concept. Some have emphasized the improvement in work conditions leading to better quality of life. While others feel a fair composition and job security should be emphasized.

There are eight conceptual categories that together make up quality of working life. These are presently below:-

**i) ADEQUATE AND FAIR COMPENSATION:-**

This refers to a just and fair balance between efforts and reward. It includes such things as a fair job evaluation-training to perform the job reasonably ability of the organization to pay, demand and supply of talent and skill and profit sharing.

**ii) SAFE AND FAIR COMPENSATION:-**

To improve quality of work life the work environment should be free from hazards or other factors detrimental to health and safety of the employees.

Walton specifically refers to reasonable hours of work, zero – risk physical Condition of work, and age restrictions on both lower and upper side. Once again, Concern for safety in the work place in India is enshrined in the factories act 1948 which lays down minimum standards of protection from machine and other hazards at the place of work.

**iii) IMMEDIATE OPPORTUNITY TO USE AND DEVELOP HUMAN CAPACITIES:-**

The work today has become repetitive and fragmented. The average worker often responds mechanically to the demands of machine with out much control on them. OWL can be improved if the job allows sufficient, autonomy and control, uses a wider range of skills and abilities, provides immediate feedback to workers to take corrective action is seen as a total activity and provides opportunity to plan and implement by him

**iv) OPPORTUNITY FOR CONTINUED GROWTH AND SECURITY :-**

Were the focus is on career opportunity as against the job. How much and what kind of opportunities are available to develop new and what kind of opportunity are available to develop new and expand existing abilities to avoid obsolescence whether they newly acquired talent could be put to some use and hence lead to personal growth and security.

**v) SOCIAL INTEGRATION IN THE WORK ORGANISATION -**

One of the objectives of OWL is to generate satisfying identify with the organization and develop a feeling of self estate. The variables that inculcate these are absence of hierarchical status, opportunity for upward mobility openness and trust a sense of community feeling on the job and freedom from prejudice based on sex caste race creed and religion.

**vi) CONSTITUTIONAL EFFECTS IN THE WORK ORGANISATION:-**

Enhanced QWL should also ensure. Zero violation of the constitutional guarantee by executive organizational decision such guarantees as right to personal privacy free speech equitable treatment and governance by the "Rule of Law are necessary to uphold to improve OWL."

**vii) WORK AND THE TOTAL LIFE SPACE:-**

The demands of the work like late house frequent travel quick transfers are both psychologically and socially very costly to the employee and his family. Such phenomena occurring on a regular basis necessarily depress the QWL.

The eight criteria indicated above constitute the broad realm of improved productivity and quality of working life. It is possible that all of them may not be relevant to all groups or employees but irrespective of the criteria the

underlying assumption which defines the QWL in the individuals own experience of satisfaction and satisfaction.

The basic concept under lying improving productivity and QWL is what has come to be known as humanization of work. It involves basically the development of an environment of work that stimulates the creative abilities of the workers generator co-operation, and interest in self growth. We has identified four basics principles which summaries the humanization of work.

These principles are given below:-

- (a) The principles of security
- (b) The principles of equity
- (c) The principle of individuation
- (d) The principle of democracy

QWL is a complex and cult faced concept implying a concern for the members of an organization irrespective of the level they belong to. It includes job factors like wages and hours of work and also the nature of work itself.

With the encouragement of international labor organization and active lead taken by national institutional of labor. Delhi the QWL as a movement has started attracting the attention of both academicians as well as practitioners in India.

Finally as a result of growing body of knowledge in human behavior in general and industrial behavior in particular, both the academicians and the practitioners are gaining the necessary confidence to think of innovative modules to understand predicts and control human behavior. There is a growing trend as of experimenting with newer concepts theories and framework which is laying the foundation for determining most effective utilization of human resources by inculcating a new sense of freedom and resultant increase in productivity.

In India, the concept of QWL seems to manifest itself in a variety of operational systems like workers participation, job enrichment, quality circles etc.

### **WORKERS PARTICIPATION:-**

The concept of participation is generally seen as a way of reducing power differences between the workers and the management. Workers participation involves the following:-

- i. The amount of verbal interaction between supervisor and subordinate.
- ii. The degree to which a supervisor performs his role in a group centered way.

- iii. The degree to which a supervisor is active in making decisions and setting goals for this work units.

Thus participation means sharing in an appropriate way the decision making powers with the lower levels in the organization.

### **JOB ENRICHMENT:-**

It refers to the process of making jobs more interesting and satisfying adding to that a sense of achievement increasing responsibilities and providing opportunity for advancement and growth. It refers to the changes in the contents of the job. Basic to job enrichment is content / direction/variety hypothesis. By content is meant additions in job contents. These additions are not more of the same kind as in enlargement but these are new contents Discretion refers to increasing responsibilities and providing opportunity. The effectiveness of job enrichment program is enhanced if changes are seen as opportunities rather than demands.

### **QUALITY CIRCLES:-**

Quality circles are defined as a small group of five to ten workers voluntarily performing quality control activities within the workshop to which they belong. Other way it may be summarized that quality circle are small groups of volunteers from the same work area-who meet regularly to identify

analyze and solve quality and related problems in their area of responsibilities .

The elements involved in quality cycles are as follows.

- It is a group effort and not an individual effort.
- The participating members are volunteers.
- Their efforts are directed to improve quality within their shops are place of work.
- They meet frequently often at company cost.
- They represent a cross section of age, sex and positions in the organization.

## CONTEMPRORARY CHALLENGES IN IMPROVING PRODUCTIVITY AND QUALITY OF WORK LIFE:-

Productivity and quality of working life raise many important contemporary challenges. These are as follows:-

- What can organization do the increase their productivity can organization depends upon their employees to help out?
- Is the issue of quality of work life really fundamental, to understanding why organization learns from the Japanese and euro pen nations? Is the quality circle concept on that should be adopted here?



- What are the ways which organization can improve the quality of working life for their employees?

## THE EXISTING TRAINING AND DEVELOPMENT FACILITIES AT VARIOUS LEVEL OF ORGNAISATION

When experienced workers take a new job, they must still receive enough training to orient them to the operation special procedures. Some organizations prefer to hire people with no experience at all. These organizations argue that it is easier to train from scratch then to hire someone who has to unlearn what the employer view as bad habit.

In any case, experienced employees are not always available, and so nearly every employer must offer some training. Training is unquestionable costly. We ought to note, though that the alternative to training – not – training may be even more expensive. Training does cost a lot, but the cost of not training is poor service and lost customers and a lost customer may never return. Not only does management lose customer by not training but it is liable to lose the employee who is thrown into a job that he does not know is bound to feel inadequate, to say the least and is likely looking for other work.

In life Insurance Corporation, the existing training and Development facilities as various level of the organization are given below:-

## TRAINING CENTRES –

There are three types of training centers in life Insurance Corporation of India,

Which are as follows:-

- (a) Management Development Centers: - Management are responsible for the working of employees and new business of the branch it makes good sense for the Corporation to concentrate their effort on preparing a successful manager by giving them sufficient training. Management training programs offer a short cut to acquiring practical management know-how. Life Insurance Corporation has its own institute named as Management Development Centre situated in Hyderabad. Trainings are given to all officers/managers/ programmers, in this centre. Management office Bombay. It provides the training in the following areas :-
- Management program and special seminars/workshops as identified in the schedule.
  - Training on trainer's program
  - Functional Programs
  - Training to new appointee assistant administrative officers.

(b) Zonal Training Centers :- Seven Zonal Training Centers one of each zone are running in India. In these training centers, training is given to Assistant and Higher Grade Assistant working in the office and belongs to class III categories. Zonal Training Centers imparting knowledge in the following areas:-

- Courses on general management.
- Courses on supervision for categories listed in the schedule.
- Functional Training
- Sales Training for Development officer's category
- H.G.A. Section Head Training
- Staff Training related to all class III employees.

(c) Sales Training Centers :- There are three/four scales training centers for each zone depending on the need and shall impart the following training

- :-
- Apprentice Development officer's Training
  - Development Officer's Training
  - Club member Agents Training
  - Selected Agents Training

All the training centers have an output of 85-90 weeks of training per year, based on the performance budget; they seek the necessary resources

from central/zonal office. Necessary administrative arrangement like facility support, teaching aids are provided by the Central/Zonal office.

### **PRE OPENING TRAINING:-**

As especially important training challenge is getting a new operation ready to open. Life Insurance Corporation have a training team specially develop for this purpose which draws on existing units for key workers during the pre opening and immediate post opening training period.

The selected applicant in the corporation is put into a two week training program. The first week requires twice daily classroom training session with group of twenty to thirty employees. The classes are cover with the corporation's working procedures chart and with the charts of corporation's staff rules and regulations. The second week involves role playing.

To get corporation's employees to perform in a manner that will result in a satisfaction of customers need, particularly those upper level needs, which depends on the behavior of the corporation's employees, these employees must of course, first know what they are supposed to do and be motivated to do it.

The Corporation's managers concerned about training employees do generally have several options available. It is unlikely that only one of the

methods would be most effective. Normally a mix and match system is utilized take advantage of available training alternatives.

The most common method of training, widely used in the corporation is pairing the new employee with an experienced employee i.e. MODELLING in which correct behavior is demonstrated by the trainer or by some other method, such as a tape or film and ROLE PLAYING, in which the trainee take part in extensive rehearsal of the behavior demonstrated by the model. Unfortunately this pairing is often done haphazardly New worker is assigned to whichever experienced worker may be handy.

Classroom Training does, of course, have a limited place in the office but is particularly necessary is the teaching of basic skills which are required to satisfy the fundamental and lower level need of the policyholder. When it come to satisfying the next level of needs, however the learning requirement is behavioral and interpersonal and is best done by actually demonstrating on the job.

The assumption underlying this form of training in the corporation is as follows:-

- Employee can learn more effectively from an analysis of their own experiences.

- Feelings attitudes or emotion are essential ingredients of communication, but these are normally withheld.
- Individual members can learn how their own behavior is perceived by other and gaining this information increases their insights about themselves

With the help of this experience the profitability of the corporation increased dramatically, standards improved staff turnover was dramatically reduced and above all employees seemed to enjoy coming to work.

## ADVANTAGES OF EXISTING TRAINING AND DEVELOPMENT FACILITIES:

Training is regularly provided to all the level of employees through various institutes and centers. In the year 2003-04, 91 officers in senior management group have attended the session conducted by ISB Hyderabad. 120 officers attended the session at ZTC Kolkata conducted by IIM Kolkata. 20 officers each from IT cell and investment research cell attended the training conducted by IIT Chennai and IIM Ahemdabad. There are some who believe that training has oneness- railhead given undue importance and that the expectance on-the-job is good enough to develop necessary skills and efficiency to perform the job. It is true that training can not entirely substitute experience, but it has certain definite advantages over it:

- i. Training, unlike experience can shorten the time required to reach maximum efficiency.
- ii. Cost of training is much less than the cost of gaining experience particularly if one is dealing with expensive equipment.
- iii. The result of experiences can sometimes be accidental particularly when experience depends solely on trial and error.

Training thus provides certain advantages which are not available learning through experience.

### **FUTURE TRAINING NEEDS AND PATTERNS:**

Life Insurance Corporation is a social oriented organization one of the objectives of the corporation is to involve all people working in the corporation to the best of their ability in furthering the interests of the insuring public to provide efficient service with courtesy. Training is an essential support to achieve these objectives.

There is necessary in life Insurance Corporation to make a pattern for future training needs to achieve these goals:-

- To acquire knowledge and skills necessary for the job, by understanding why the job is performed and how it can be improved.

- To acquire necessary supervisor/managerial skill in areas of decision making problems solving role clarity and role performance, inter-personal relationship etc.
- To develop internal facility support on all area by a systematic faculty development.

To achieve the above goals the researcher has investigated the future training needs and patters which are as follows:

#### **Training on General Clerical Staff:-**

In the investigation of the corporation the researcher have found that in future you will be necessary to train general clerical staff specially. The corporation is increasing its business day by day and it is necessary to provide proper service to the customers in future so it will be necessary to train the staff. Future training pattern is as follows.

**General Training :-** Although much training for work in the office is necessarily specialized, it is desirable for any clerk in whatever department of the office he is likely to work should have a basic training in the knowledge and range of skills and procedures which are fundamental to most types of the corporation the amount of such common ground should



enable trainees to benefit from a course extending over a period of about five days. It should cover the following components:-

- An introduction to insurance wider in scope than that included in the induction training.
- An introducing to office systems
- An introduction to office equipment
- Simple business correspondence
- Counter enquiries, and
- Calculations for the office.

It is highly desirable that this training should be given at an early stage in a clerk's career and that it should be provided off the job, to avoid the interruptions of daily office routine. It is not necessary that the course should take up five consecutive days and indeed it may be preferable to have one day a week spread over five weeks.

**Specialized Training:** - A specialized training each training component or module should be designed to equip the trainee with the knowledge and skills required enabling him to perform his job. Efficiently and this can not be done by the less satisfactory method of sitting next to Nellie. In other words, watching another person doing a job and picking up information about in piecemeal.

For efficient planned training it is necessary to use the techniques of job analysis and job specification, and to train for each component in a logical progression, taking into account that some clerks learn more quickly than others.

**Further Education:** - Concurrently with training employees at this level should be encouraged to further their education in a field associated with their work. For clerical staff, the certificate in office studies is usually the most suitable course of study. It includes such subjects as communications, clerical duties, business calculation and book keeping employer. Should be allowing their younger staff on half a week release to enable them to attend classes.

### **LEARNING / DOING TRAINING**

In this category learning takes place when individuals try to improve their job performance by actually doing something about the day to day job problems. Each participate of the training program is asked to read it discuss and analyze the situation. The purpose of the method is not to find one solution plausible given to all the facts that are available in the case. This method provides the trainees practice in problem solving and decision making.

## **EXPERIMENTAL TRAINING:-**

Experiential Training is designed to provide an atmosphere of self-learning through group interaction and dynamics. The purpose is to increase the sensitivity of the participants to their own function as well as the functions of others in the group. This training is called sensility training or laboratory training. The purpose of this training is to integrate knowledge and theory with experience and practice. The assumption is that changes in behavior can not come by knowledge along and hence, practice In human relations crates an atoms here for change in behavior this is achieved by focusing during training on such things as ability to listen to others, ability to communicate, ability to diagnose them problem correctly.

## **PROGRAMED INSTRUCTIONS:-**

Programmed instructions are based on certain behavioral laws particularly those that relate to principles of reinforcement. Reinforcement in simple terms means rewarding a correct response and punishing a wrong response. This one important feature of programmed instruction is that it provides immediate feed back on whether the participant has answered correctly or not. To facilitate this instructions are designed in such a way that all future learning depends on acquisition and retention of previous learning. First basic understanding is provided. Subsequently question is designed based on

this basic learning. If the response is correct he goes to the next stage. If it is not he is asked to go back and start again. The instructions are nothing but carefully planned sequential knowledge which moves from simple to complex levels.

## IMPROVING OF PRODUCTIVITY AND QUALITY OF WORK LIFE-MEASURED ON ACCOUNT OF INVESTMENT ON TRAINING AND DEVELOPMENT

Quality of work life is a multifaceted concept. The premise of quality of work life is the training. The productivity of Life Insurance Corporation's was very low up to 1970 because up to that year there were no suitable training facilities available to the administrative staff and sales staff. In 1970 the total new business of the corporation was Rs.976.08 crore and force business was only of Rs.6425.26 crore. It was only due to not trained staff and up-to 1970 the customers were not satisfied. People neither view nor interested to be insured because they were not satisfied with the services of the corporation. Up to that year, corporation was not interested to expand training centers and was not ready to spend any additional amount in the head of staff training.

In 1971 the chairman of the corporation had called a meeting of all the directors and they discussed about the new business of the corporation, why

the business of the corporation is not increasing ".At last they found that due to unavailability of good and proper trained staff, the new business of the corporation was not increasing and in that year they decided to open many new training centers and as well as they decided to spent 1 percent amount of the total premium income in every year in the head of training and development of staff.

After 1970 all types of staff began to train. They got training of all types and customer's satisfaction training. The corporation has selected special trainers from among the officers at administrative officer and above level. Since the proper training programs had been started by the corporation, the new business of the corporation's policies and now the policyholders are satisfy with the services of the corporation. In 1974-75 the new business of the corporation was Rs. 3112.43 Crore and in 1993-94 the new business of the corporation was Rs. 80746.11 crore in this financial year 1995-96 corporation received his premium income of Rs. 13.500 croe and insured 110 lakh people.

At present the cost of training is about 1% of the premium income and it is proposed that it shall be maintained at about 2%.

The improvement of productivity and quality of work life is come only by the training and development programs. The chart of growth of new

business, investments and working result of the corporation shows that before the implementation of training programs. Corporation financial position was not good and after this the financial position of the corporation is excelled. The OD/HRD exercise on organizational transformation and customer orientation was initiated in 2005-2006 with the objective of managing change in the current competitive scenario. Change has to be internally driven and the process to built on humanistic and democratic values that seek to improve organizational effectiveness and employee commitment, involvement and wellbeing. With this objective in mind, a countrywide OD/HRD exercise has been planned covering nearly one lakh employees.

#### **SPECIAL INITIATIVES:**

- Special customized training programme “Marketing strategies for senior marketing officers” at Indian school of Business
- Programme for Metro branch managers on “Business Effectiveness” six of them were conducted at management development institute, Gurgaon.
- “Customized training programmes for investment department officials of central office” were conducted at Indian institute of management, Ahmedabad.

- Special three days training programme on “selling skills of insurance professionals” for alternate channel officers by Amity School of Insurance & Actuarial Science.
- Two day workshop on “Capital markets-An overview” for top management
- Customized “Technical training programme for superintendent engineers and executive engineers” conducted by Engineering Staff College of India Faculty at Zonal Training Centre, Hyderabad.
- Two programme for trainers designed in consultation with ISTD were conducted for faculty members of ZTCs, STCs, DTCs and ATCs

Management Development Centre which is the apex training institute of LIC restructured the training programme into four categories i.e. induction programme, special programme, workshops and non-LIC programmes.

**In the year 2004-06 training statistics was as under**

<b>Institute</b>	<b>No. of Sessions</b>	<b>No. of People</b>
<b>Programs</b>		<b>Trained</b>
M.D.C. Bombay	125	3220
Zonal Training Center, Delhi	82	1234
Zonal Training Center, Agra	65	1213
Zonal Training Center, Bombay	70	2122
Zonal Training Center, Calcutta	75	2005
Zonal Training Center, Hyderabad	63	1345
Zonal Training Center, Madras	78	1212
Sales Training Centers	528	9567
External Institutions	132	1738
Field Training by External Institutions	35	1856

Thus, the improvement in productivity and quality of working life, in life insurance corporation has come by existing training and developmental facilities at various levels of the organization. Certain jobs in future will make training necessary for corporation to prepare workers with new skills and attitudes to cope with changes. The corporation endeavours to involve the whole person in the job so that there will be more improvement in productivity and quality of work life.



(iii)

## **TECHNOLOGICAL DEVELOPMENT**

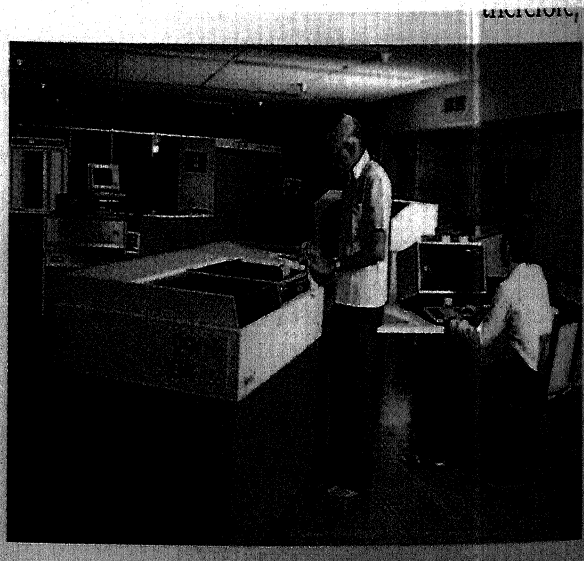
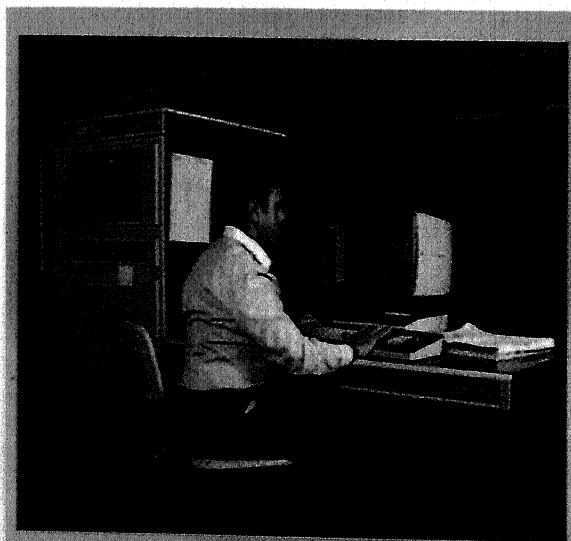
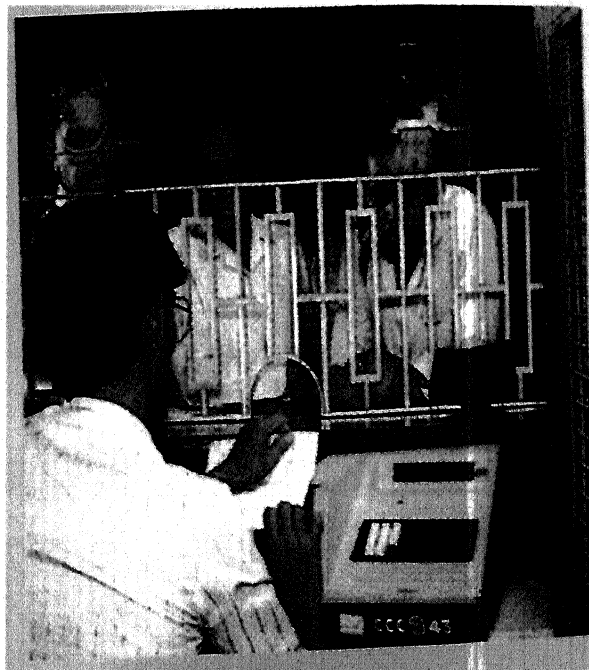
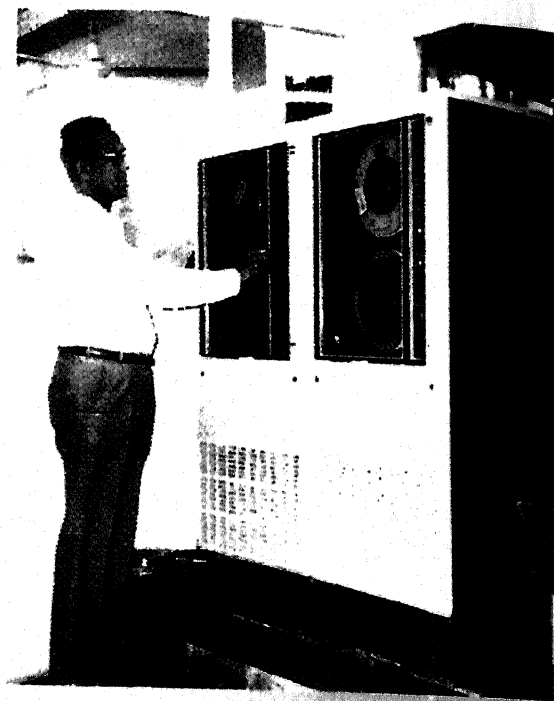
The term technology is now commonly used to refer to the physical plant and equipment which employed in the production of goods or services. It relates to the machines which may be electrical or electronic in the organization. These artifacts of an industrial conversation are instruments which embody ideas about how to cope efficiently with the material world but they are not the only ones which do so.

Some are theories or beliefs about what will cause what to happen or about what needs to be done to create some products or service. Some are ideas about how to organize people and their activities for maximum effects. The techniques of industrial engineering or the method of organizing workers in a tenuous work group have as much claim to be included in the meaning as his machine systems already referred to.

The way in which work is divided into discrete jobs, allotted to individual as a se of duties and co-ordinate intone an ultimate whose is itself a part of technology.

## **MECHNOLOGICAL TECHNOLOGY**

The economic history of man is one of developing and powering tools which can be used to bend the natural world to his ends with the least



expenditure of physical or mental effort. In the early stages of his development his tools extended his capacity but remained dependent on his physical strength and powers. Subsequently, water fire and wind were drawn into supplement this, and man ceased to be the main source of power or the prime mover. With the development of steam power in the early years of the industrial revolution, this became a prime mover of greater power and flexibility until it replaced by electric motor and the internal combustion engine which permitted ever greater flexibility. All of these developments, however, were primarily concerned with reducing the need for human effort to move materials.

## **ELECTRICAL AND ELECTRONIC TECHNOLOGY**

The utilization of electricity in the form of a current which was capable of flowing, and of the electronic pulse with a shear capability, opened up new possibilities for control not only of mechanical but also of logical activities. The harnessing of electronics, initially through the vacuum tube and later through the silicon chip, facilitated the development of more precise control of movements and locations, as well as of numerical values. Not only was the workers strength thereby supplemented and eventually supplanted but so also was the judgment necessary to decide about which actions to take.

Recent advances have made their main impact not the information processes associated with the control of production activities where the earlier ones more particularly affected the physical or motor activities involved in work. This development focuses on the capacity of the computer to process vast amount of data quickly- in fact, more quickly than the human brain.

Therefore, this development makes its main impact on office workers concerned with information processing rather than on manual workers. These developments have in turn brought about two major changes into the worker's relationship to one's work:

1. The progressive take over by the machine of the physical effort required to perform work- in the sense that for example, a hydraulic press enables much more physical pressure to be applied than human beings could muster on their own.
2. The assumption by the machines itself of responsibility for much of the precision in location of and action on, materials and components which had previously been supplied by the skilled workers, so that the machine now supplies much of the perceptual and judgmental skill previously supplied by people.

## **Technologies used in Life Insurance Corporation**

Most of the uses of technology in the corporation generally utilized are computer or micro processor based. Some help in improving the efficiency and effectiveness by doing jobs in a much better, faster and with lesser errors in operations. Other directly affects policy holders by giving them a greater sense of service.

### **Technologies used by the corporation are as follows**

#### **Computer**

Computers play a pivotal role in the automation of operations and services in the organization. Computer is work essentially in the same manner. Mostly corporation have Micro Computers are available in various sizes and have various names but they all work essentially in the same manner. Mostly corporation have micro computer. Micro Computer is faster and has more memory than an ordinary computer does. A larger or more compels Branch might use a mini computer as well as micro computers. Small branch have the data capture unit (DUC). In the corporation, micro processors are used in the big branches and Divisional offices to print commission bills balance for office use and salary for office employees. Data Capture unit is used only for data entry and to print the check list of captured data's.

Equally important in a computer system is the software or the programs. Many computer programs used in the corporation are standard software packages specially designed for specific purpose such as commission printing, RPR's this software is supplied only by the Central office.

### **Intercom - System**

Intercom means many phones in an office and divided into many numbers are connected with a machine which installed in that office by using intercom one employee can talk to another employee who is sitting to another seat. The corporation is also using theism system.

### **Fax-Machine**

Fax machines are used in Divisional, Zonal and central offices of the corporation. Any printed message can be sent within one minute to all over India with the help of this machine Corporation is using this machine for receiving complaints, messages, figures, current circulars immediately from other offices.

### **E.C.R. (Electronic Cash Register)**

Corporation is using E.C.R. for receiving premiums from the policy-holders. With the help of ECR one premium can be deposited within 30 seconds. It helps the cahier to writer cash book and putting stamps of date, cheque.

Corporation is using ECR since 5 years. By using ECR, corporation is providing quick services to its policyholders.

### **Word Processors**

Word processor ties together two technologies, the typewriter and the computer. Material is typed into a computer and the operator can read what is typed on the screen. If change need to be made, the appropriate matter is recalled to the screen, and any insertions or deletions are made.

Continuous upgrading of technology is essential to survive in competition and for progress. Fear of changes fear of new technology will be present at all levels of managers and staff like fear of learning new systems, fear of losing one's importance, even fear of losing one's job. Continuous efforts are needed to crest confidence, to build mutual trust ant to enable people to learn new competencies and develop existing skills.

Management styles will have to changes from feudalistic, bureaucratic, procedure oriented and order- compliance style to democratic, collaborative, system oriented, new work communication oriented style. This is especially true for large organization whether in public sector or in private sector.

Running through the chain of strategies listed above is the thread of Human Resource Development. The researcher observed clearly the importance of

the individual to the organization. Hence, the need for the one to nurture a faster the other and the need to realize the significance of new technology.

### **Impact of Technological Changes on the Corporation:-**

All technological changes have come in force in the corporation since 1979-80. Before technological changes corporation was not providing better services to its customers so its business was not increasing rapidly. In 1979-80, corporation's net business was Rs. 2744.33 crore from individual policies and Rs. 5262.06 crore in Group Insurance policies. After fourteen years from 1980 to 1994 with technological development in 1994 its business became Rs. 42017.23 crore from individual and Rs. 38728.88 crore from Group insurance. Corporation achieved this good target only by the technological changes. At present policyholders are satisfied with the services of the corporation. They are receiving good, fair and prompt services from the organization. This fact is well reflected in recent surveys of different marketing and media bodies. LIC is continuously maintaining No. 1 position in service sector. Life Insurance Corporation is adopting new technologies day by day. Recently Corporation has gained the premium income of Rs. 13,500 Crore in his financial year 1995-96 and insured 110 lakh people in India. Commission of corporation's progress before technological changes and after technological changes is given below:



## **HUMAN CAPACITY AND ATTITUDE:**

Since 1971, new technologies are continuously implementing in the corporation. Before 1971 some ordinary technology was used. The chairman of the corporation had decided in 1971 with the consent of Government of India for introducing computer in the corporation. Trade Unions and all employees had opposed the computer. they were thinking that after the installation of computer in the corporation, employees would be shorted-out, promotions of the employees would be stopped as well as there would be no new recruitments. The biggest union of the corporation, All India Insurance Employees Association had also opposed that new technology forcedly. The top management of the corporation were assuring the employees that after the instillation of computers, no employees would be shorted-out and promotions of the employees would not be shorted - out and promotions of the employees would not be stopped. Top management was saying that the purpose of installation of computer was only providing good services to the policyholders and maintains properly all records of new business and in force business. AIIEA had not believed the verbally assurance of the management and they wanted the above assurance in writing as well as AIIEA had decided to go on a long strike.

Seeing the position critical, the management of LIC had given a written assurance and an agreement had been made between the management and the trade unions. In that agreement the following were included:-

- No employee of the corporation would be shorted out
- Promotions of the employees would not be stopped
- Fresh recruitment would not be stopped
- Computers would be installed only in Divisional offices and big branches only.
- Operating staff for computer would be selected among the permanent employees of the corporation.

After the above agreement, new technologies i.e. computers began to install in the offices. The attitude of the management, Employees, Trade Unions and Policyholders about the new technologies are as follows:-

#### **MANAGEMENT ATTITUDE:-**

Management of the corporation became free from all the troubles which were occurred by the working staff of the corporation, Before technological advancement, managers were dependent on the employees for all kinds of work and now due to introducing new technologies all the work of the office can be done by and of the employees. New business of the corporation have increased after the implementation of new technologies and it has become

very easy to maintain all the records of new business and in force business. Managers of the corporation say that since the fax machine has come into the corporation, any confidential written message can be sent within one minute without the help of class III and class IV employees. The management of the corporation became free from all the worries about the office work and providing services to the policyholders. Because half of the services are automatically provided to the policyholders with the help of new technologies.

After all, the management of the corporation is very happy and satisfied with the implementation of new technologies and now they want that more new technologies should be implemented in the corporation time to time.

#### **EMPLOYEES ATTITUDE:-**

Many employees of the corporation had become happy with the implementation of new technologies and some employees were not satisfied and were angry because they thought that after the implementation of new technologies their monopoly related to office work would be finished.

The researcher has found that some employees of the corporation are not satisfied with new technologies and they are very sad because their daily output of office work is used to be known by the supervisor with the help of computer and they want to throw this new technology i.e. computer. Such

type of employees is in a small number. The researcher found that the attitude of mostly employees about new technologies are very good and satisfactory they want that more and more new technologies should be introduced in the corporation as required.

#### **TRADE UNIONS ATTITUDE:-**

Trade Unions had not want the implementation of computer but they realized that the new business of the corporation is increasing day by day, and without the help of new technology, it would be very impossible to maintain all records of business manually in coming years and they had given their consent for the implementation of computer. Recently an agreement has been made between the management and the trade union for full computerization and networking of all the office of the corporation. For full computerization, trade unions has demanded a extra increment for all class III and class IV employees and it has been given to all those employees.

The attitude of trade unions is not in opposition for implementation of new technologies but they want that due to implementation of new technologies, there should not be any danger in employee's service and their career. They say that they know very well, the implementation of more new technologies

is very essential for providing better services to the policyholders, spreading new business and maintain it and compete in the international market.

### **POLICYHOLDERS ATTITUDE:-**

When new technologies had introduced in the corporation, policyholders and people had became very happy. After implementation of new technologies, they began to receive all kinds of services timely, before 1971 people were not interested to be insured because in that time corporation was not providing proper services to its policyholders but now the attitude of policyholders and the people have changed and 90% policyholders are satisfied with the services of the corporation and they are taking interest in corporation's policies. During the investigation, the researcher has found that 90% policyholders and 65% people of the society have welcomed new technologies - implemented in the corporation and they say that it is necessary for the corporation to adopt more new technologies.

Thus, knowing the attitude of the above parties it can be said that new technologies have been welcomed by the management, employees, trade unions and the policyholders. With the introduction of new technologies, the new business of the corporation has increased, investment of the corporation has also increased and customers are satisfied with the prompt services of the corporation.

## **IMPACT ON THE MANAGEMENT OF HUMAN RESOURCE:**

In Life Insurance Corporation, the purpose of the management basically is to achieve maximum output with the minimum input. The extent to which the management has achieved its goal only by developing new technologies in the corporation.

In the field of human Resource Management, technologies has impacted the management by introduction of Electronic data Processing, Computer application in personnel

Since the new technologies have been introduced, the management of the corporation has achieved these goals:

- Improvement in work culture
- Maximum, optimum use of installed facilities
- Increasing productivity
- Generating profits through control of cost
- Customer's satisfactions.

In near future widespread computer applications in selection, manpower planning, manpower, manpower inventory, compensation, absenteeism, management development, etc, is evident. In Life Insurance corporation we have not even started to scratch the surface and the sky is the limit The

escalating practice of computer and EDP is expected to give rise to three possibilities mentioned below which will alter the entire Human Resource Management Functions.

1. Through integration of personnel function in the general and top management policy making and decision making role.
2. The function itself will exhibit more objectivity, effectiveness, and systems orientations.
3. The personnel experts will sharpen their own concepts tool and techniques and make a more direct contribution to the general process of industry and business.

These development changes may change many of the concepts and practices prevalent in general in the personnel, and several predictions can be made as to the future direction of this function. Forward planning by the personnel departments can be accelerated, and personnel managers will have an opportunity to participate more in top management decisions that affect the future planning of the corporation.

#### **Reasons for utilization:-**

The various arguments cited by different owners for installing personnel EDP systems include:-

- \* To expedite record and report preparations

- \* To provide facts quickly.
- \* To improve facts quickly
- \* To provide for rapid and accurate classification and reclassification of data:

- \* To establish systematic and efficient procedure
- \* To provide more comprehensive data.
- \* To improve overall control
- \* To permit cross comparisons of inter departmental data.
- \* To reduce costs and
- \* To improve long range planning.

### **Use of EDP Systems**

The EDP system is utilized for different purpose and in different degrees which generally include processing of variety of records and reports. The major classification of these comprise of:-

Selection & placement Category includes employee history cards, selection data for promotion transfer layoff recall roster of applicants and their qualification job specification and test score analysis.

General classification and Analysis Purpose:-



Such information as employee census reports, skills inventory profiles communication media effectiveness attitude survey analysis were among the data covered.

Merit rating reports include scores made by individual on the respective traits evaluated.

A tally of suggestions and grievances is usually classified by individual responsible than by department divisions and the overall company.

Records of education and experience and as well as overall manpower development analyses.

By far the greatest use of EDP since for payroll data tax reports income/ deductions the employee gross earnings are recessed more frequently. Other records often incorporated in the EDP system are payroll records salary payroll pension receipt records fringe benefits records average wages or salaries profit sharing and bonus reports incentive earnings, sick leave costs, and illness and accident costs. These all help in effective payroll administration.

### **What are the Problems:-**

Inevitably a variety of problems had been encountered in operating personnel EDP programs. More than 50% of the companies utilizing it has some trouble in controlling the accuracy of input information some

organization had difficulty in foreseeing their requirements of records and reports for future planning changing over to EDP co-ordination work between personnel and the computer center, programming and designing records and tailoring EDP to fit personnel needs were other trouble spots officiated.

### **Advantage of EDP:-**

Despite the problems over there forth of the divisional office replied that personnel EDP installations improved payroll accounting speeded up handling of personal information's and made possible less expensive and more accurate personnel records and reports. Uniform data, improved cross comparison and analysis of data more accurate forecasting and planning tighter control of personnel operations and better managerial decisions on personnel matters were other benefits pointed by same divisional offices.

Thus, it can be concluded that EDP plays a very significant role for harnessing human development a system as yet only utilized the records and reports required for sound planning operating and controlling personnel area continue to grow in number and complexity effective and prompt decisions can not be made without facts or with partial facts only and EDP provides an orderly systematic and fast approach to gathering coordinating and

reproducing vast areas of personnel information for superior to manual operation an data lesser cost.

### **IMPLICATIONS:-**

It has been realized by the management of the corporation in 1971 that the new business of the corporation was not increasing as it should be increased. During last few years, they tried to find out the reasons. Many discussions, seminars an analytical work had been dome to analyze the reasons. At last they had found the reasons of not increasing new business. The reason was the policyholders were not satisfied with the services of the corporation and the corporation was unable to provide better services to its policyholders because at that time there was the lack of new technologies.

Corporation had decided to implement new technology i.e. computer. Initially trade unions were not in favor of computer and they had opposed. Many negations had been made between the management and leaders of the trade unions and it had been decided that the computers would be installed in the corporation as per trade union's conditions.

When the corporation had started the installation of computers, many problems had come before the management. There were no roamed staff for operating computers and the corporation could not recruit new staff for computers ass per trade union's agreement. The corporation had faced the

problem of trained staff and had started to give sufficient training about the operations of the computer to its staff but the staff could not be full trained and many errors had appeared in the work so the corporation had decided again for providing training by the manufacturer of the computer and after few months the staff had become fully trained and they had stated to do office work with the help of computers in place of manual working.

An assurance has been given to the trade unions by the management of the corporation before the installation of computers that the promotions and fresh recruitment would not be stopped but after installation of computers, promotions and new recruitments had become very slow.

Now all the branches of the corporation are being fully computerized. In this respect as kipper the demand of the trade union, one extra increment is provided to employees engaged in this respect.

Hence, on one hand the trade unions demand is adhered and on the other hand management is satisfied that it has successive in implementing the phloxes.

Recently, the corporation has started a computer training center at Gorgon. In this center, all the office staff of the corporation will be trained for full computerization. Trainers have been selected form open market and some

trainers have been selected among the officers of the corporation at the level of A.D.M.

## RESISTANCE TO TECHNOLOGY DEVELOPMENT & AUTOMATION:

The introduction of computer in the corporation has created an atmosphere of impatience, anxiety and fear among the workers. Obviously when technology takes place of man there is an impending danger of unemployment. The labor unions feel that where the computers are introduced, the labor unions feel that where the computers are introduced, the workers become surplus and consequently their retrenchment take place. They also apprehend that even if they are not retrenched then their chances of further promotions would be marred by the introduction of technological development and automation. Further it is also feared by them that the process of employment come to a stand still as the use for scientific appliance reduces the demand of manual labor.

When it is visualized dispassionately at the change the researcher observer that there is substance in workers apprehension about their future due to interlocation of computer n the discharging of various functions for the corporation There is no doubt that use of computers brings for the additional efficiency in the working of the corporation but the resistance of labor

fallout can not be ignored. The programs of this transformation should be phased out to minimize the devil if it cannot be eliminated altogether. The policy should be designed that the existing staff is not thrown out of employment but is assimilated in the process of change.

It is a good sign that the administrators of the life insurance corporation are alive to this resistance and are determined to tackle this resistance through negotiations with the trade unions. They held a full dressed meeting with them to discuss the entire issue and to ascertain the areas of agreement with them. After the hectic affords the corporation and trade unions came to any understanding. Consequently a memorandum of understanding between them was framed. It consists of the following points:

1. Life Insurance Corporation of India would embed a program of phased introduction of new technological development and automation.
2. As provided in the scheme, the life insurance corporation restates that there would be no retrenchment consequently to introduction of new technologies.
3. It is agreed to between the corporation and the trade unions that introduction of new technologies would not result in ban on necessary fresh recruitment. It is envisaged that with the

introduction of computer, business would expand and the industry would continuous to recruit to manpower commensurate with the organizational and premium growth, expansion in business and operations and increase in documentation and claims.

4. While there would be some re-development of employee's consequent to introduction of computer there would be no compulsive transfers outside city/ town of posting as a result of computers.
5. There would be no recruitment on temporary employment basis for computers.
6. Members of staff in class III i.e. Assistant/Higher Grade Assistant directly employed in the operation of computer would be trained as outlined by the life Insurance Corporation for the function.
7. Functional Allowances for the computer staff would be paid.
8. Substantial part of the microprocessors (computers) and support materials would be owned by the life insurance corporation.
9. A suitable structured grievances machinery would be set up at various levels of offices to process and decide upon employee's

grievances arising out of introduction of microprocessor at the same time, it was the intention of the management to introduce for system of grievance redressed of employees generally.

10. While finalizing improvements in the promotion policy, on exercise which was in hand Life Insurance Corporation would take the impact of introduction of microprocessors into consideration.
11. There would be output norms for Data Entry operators fixed at 1000 key depressions per hour.
12. After having recruited 60 system analysts and analyst's programmers would be through promotions/transfers within the industry.
13. Corporation would embark upon adequate and appropriate training programmed of all the required to be trained.
14. Process of consultation with the trade unions would be an ongoing regular exercise with formal meetings as and when necessary.

After above memorandum of understanding between the trade unions and the management, corporation has started the installation of computers. In 1990, the management of the corporation felt that there should be full



computerization of the branches because new business of the corporation was increasing rapidly and the corporation has realized that in coming years there would be impossible to provide better services to the customers and compete international market in the field of life insurance. They decided to do full computerization all branches and networking but the trade unions have opposed forcedly. The leader of the trade unions were not want to full computerization of all ranches and net working and they decided to go on 2 days strike. Trade Unions had done may strike up to 1993 against fully computerization. A agreement has been made between the management and the trade unions. According to that agreement a extra increment and the trade unions. According to that agreement a extra increment has been given to all calls III & IV staff in the place of full computerization and networking. With the consent of trade unions corporation has became free from this worry and has started full computerization of big branches.

## FUTURE PROJECTION AND DEVELOPMENTAL NEED

With steady growth in the annual business of the corporation over the year, the number of policies serviced have been steadily increasing and the number of offices have also considerably increasing and the number of offices, it is right now to have a look at future projection and developmental need and work system in the corporation so it will be possible to improve

services to the policyholders. The size of the corporation does not impair its efficiency so long as timely and effective measures should be taken for future.

The researcher has found after the survey of different offices of the corporation that in coming years, the speed of increasing business will be very fast and the corporation will be unable to maintain the record of new business systematically and will be unable to provide services to the policyholders. It necessary for the corporation to develop their resources and adopt modern technologies to meet the requirements and challenges more reality. In the endeavourer the corporation should introduce he following at their end.

#### **1. FRONT-LINE COMPUTER:-**

Corporation should install Front-line computer systems in all branches. Under this system, three areas of the branch will be computerized. They are as follows:-

1. P.S. Enquiry
2. New Business
3. Cash

In each area the P.C. will work the following jobs:-

P. S. Enquiry: there will be a p.s. Enquiry counter. This counter will provide the following information:

- Revival Quotation
- Surrender Calculation
- Loan Calculation
- Change of Address
- Loan schedule
- Information about status of policy.

**New Business:**

- Exact premium calculation
- N.B. Data Capturing from proposal form
- Proposal Number will be allotted
- Proposal Register and Review Slips will be prepared
- Underwriting Suggestions will be made by the computer
- After the decision of the underwriter, proposal deposit schedule will be adjusted by the computer.
- Policy Number will be allotted
- Acceptance letter along with First premium Receipt will be prepared.
- First premium Commission will be released

- premium Income of Dev. officer will be released
- Policy printing
- Policy dispatch register will be prepared
- Medical bills of Doctors will be prepared
- Completion Register will be prepared every month
- Proposal deposit schedule will be prepared

### **Cash Counter:-**

- All sort of collection
- Premium collection
- Calculation of premium, late fee/interest
- Automatic updating of master file
- Premium, policy, Proposal, Miss, deposit register will be prepared
- Paying slip-bank wise will be prepared for cheque and cash.

There should be two terminals each in cash, N.B. and P.S. enquiry. Naturally two persons will be handling the P.C. in each department. At the movement if we analyze the whole data in particular reference of "A" Branch, which is selected as pilot branch, then we find that altogether eleven employees are there in cash, 21 employees in N.B. department and sales department and suppose two are involved in P.S. enquiry, then even by this the total no of surplus or redundancy will be, amazing. Initially for giving the data support,

employees might be utilized but once the data is completed the actual need will be reduced to six only. As no signature other than the cashier will be required the supervisor will be also redundant. Since the record will be maintained by computer, the record clerk, will be required, the supervisor computer, the record clerks, will be redundant. As review slips, policy document and all related documents/statement/register will be prepared by the computer, the typists will not be required.

And above all who knows whether the system itself will prove once again backdated to the time, thus making the Front-line system itself redundant like I.B.M. Data Entry Machine, DCU and Electronic Cash Register.

#### **PROPERLY MANAGEMENT SYSTEM (PMS)**

The properly management system consists of a number of individuals programs, that together manage the front and back office system. Corporation should make program for adopting the P.M.S. The functions of P.M.S. are highlighted in the table some of the few benefits of PMS as follows. \*1\*

1. To improve operational efficiency by eliminating repetitive tasks and by having information current and readily available.

2. To improve policy holders service through accurate, faster dissemination of information and new opportunity to keep track of policy holders likes and dislikes.
3. To improve internal operational by a level of standardization that is difficult to establish and maintain in a manual system.
4. To save money by improving efficiency, reducing payroll and eliminating outside service bureau costs.

# **CHAPTER V**

## **REFORMATION AND IMPLEMENTATION OF NEW POLICIES**

In our worldly life whenever there is uncertainty there is an involvement of risk. The instinct for security such is one of the basic motivating forces determining human attitudes. As a sequel to this quest for security, the concept of insurance is born. The urge to provide insurance or protection against the loss of life and property prompted people to make some sort of sacrifice willingly in order to achieve security through "collective co-operation". In this sense, the story of Insurance is as old as the story of mankind.

With the dawn of independence, the Government of India, under the Leadership of pundit Jawaharlal Nehru, spelt its "approach in the economic development of the country in unambiguous terms. The concept was of its mixed economy with the both public as well as private sector having their respective niches carved out for them. One of the principles announced at the time was that all those activities which occupied a strategic position in the economic development of the country were to be managed by the public sector.

In order to organize the credit system of the country, envisaged the need of the involvement of the whole mechanism of finance such as the insurance and other institutions connected with investment, then the process or



From our Archives

# LIFE INSURANCE CORPORATION OF INDIA...

## enters the service of the country

Today, 1st September 1956, the Life Insurance Corporation of India comes into being. The transition of L.I. Insurance from private to public management is of vast significance to every single person.

To the policy-holder, it offers Safety with Efficient Service. Safety, in that Life Insurance will be backed by the Welfare State. Service, in that his claims will be settled with promptness on maturity or when they should fall due. The policy-holder's interest, and his alone, will be the governing concern of the Corporation.

To the public at large, to the masses of India, it is an assurance that the funds available to the Corporation will be employed primarily in the development of the country.

Life Insurance Corporation of India



**you can help him**

It is a tragedy when a man's family is left without a source of income. But you can help him. You can help him by buying a Life Insurance policy. For a small sum, you can secure a large sum for his family. This is the only way to protect your family's future. It is the only way to ensure that your family will be able to live comfortably even if you are no longer there. Buy a Life Insurance policy today. It is the best investment you can make for your family's future.

LIFE INSURANCE

**Jeevan and Hanu chat about OUR COMMUNICATIVE CENTURY**

Life Insurance is the most important part of a man's financial plan. It is the only way to protect your family's future. It is the only way to ensure that your family will be able to live comfortably even if you are no longer there. Buy a Life Insurance policy today. It is the best investment you can make for your family's future.

Life Insurance Corporation of India

**HELP LIC TO SERVE YOU BETTER!**

1. LIC has a wide range of policies to suit every need.
2. LIC has a long history of service to the public.
3. LIC has a strong financial base.
4. LIC has a reputation for honesty and integrity.
5. LIC has a large network of agents and branches.
6. LIC has a high level of customer service.
7. LIC has a strong commitment to the development of the country.
8. LIC has a high level of security.
9. LIC has a high level of efficiency.
10. LIC has a high level of reliability.

Life Insurance Corporation of India

**Operation Security**

Life Insurance is the only way to protect your family's future. It is the only way to ensure that your family will be able to live comfortably even if you are no longer there. Buy a Life Insurance policy today. It is the best investment you can make for your family's future.

Life Insurance Corporation of India

**I can't afford Life Insurance**

Would you say "Life Insurance is only for those who are rich"? No, it is not. Life Insurance is for everyone. It is the only way to protect your family's future. It is the only way to ensure that your family will be able to live comfortably even if you are no longer there. Buy a Life Insurance policy today. It is the best investment you can make for your family's future.

LIFE INSURANCE

**For the attention of Policyholders under Salary Savings Scheme**

**What to do when you are transferred**

When you are transferred to a new office, you must inform LIC of your new address. This is important to ensure that you receive your policy documents and claims. You should also inform your employer of your new address. This is important to ensure that your salary is credited to your new bank account.

Life Insurance Corporation of India

**LIC lights the lamp of security in 5000 homes every day**


Life Insurance is the only way to protect your family's future. It is the only way to ensure that your family will be able to live comfortably even if you are no longer there. Buy a Life Insurance policy today. It is the best investment you can make for your family's future.

Life Insurance Corporation of India

**Pay day is premium day**

You may be working in an office. You may be getting your salary every month. But you may not be paying your LIC premium. This is a mistake. Your LIC premium is the only way to protect your family's future. It is the only way to ensure that your family will be able to live comfortably even if you are no longer there. Pay your LIC premium today. It is the best investment you can make for your family's future.


Life Insurance Corporation of India



**A pain full of sacrifice...  
in a future filled with uncertainty**

She is 25 now. She started working at the age of 21, when she left her father's house and the village she grew up in. She went to the city to find a better life. She found a job in a factory. The work was hard, but she was determined to make a better life for herself. She was the only daughter in her family. She was the only one who was going to college. She was the only one who was going to work. She was the only one who was going to live. She was the only one who was going to be a woman. She was the only one who was going to be a mother. She was the only one who was going to be a wife. She was the only one who was going to be a daughter. She was the only one who was going to be a sister. She was the only one who was going to be a friend. She was the only one who was going to be a neighbor. She was the only one who was going to be a citizen. She was the only one who was going to be a human being. She was the only one who was going to be a woman. She was the only one who was going to be a mother. She was the only one who was going to be a wife. She was the only one who was going to be a daughter. She was the only one who was going to be a sister. She was the only one who was going to be a friend. She was the only one who was going to be a neighbor. She was the only one who was going to be a citizen. She was the only one who was going to be a human being.

There is no substitute for  
**LIFE INSURANCE**

[illegible]

**THE  
FOUR  
ESSENTIALS**

Health, clothing and shelter are necessities. Life insurance is the fourth essential. Life insurance provides the money to help you and your family when you die. It's the only way to make sure your family will have the money to live on. Life insurance is the only way to make sure your family will have the money to live on. Life insurance is the only way to make sure your family will have the money to live on.

Obtain a Life Insurance quote today

There is no healthier way to

**LIFE INSURANCE**

**THE**

**FOUR**

**ESSENTIALS**

Health, clothing and shelter are necessities. Life insurance is the fourth essential. Life insurance provides the money to help you and your family when you die. It's the only way to make sure your family will have the money to live on. Life insurance is the only way to make sure your family will have the money to live on.

Obtain a Life Insurance quote today

There is no healthier way to

**LIFE INSURANCE**

[illegible][illegible]

**A stitch in time...**

As the world's largest producer of sewing machines, Janome has a reputation for producing reliable, long-lasting machines. And for good reason. Janome sewing machines are built to last. They are made of high quality materials and are designed to withstand the rigors of daily use. They are also easy to use and maintain. So whether you are a beginner or a seasoned sewer, a Janome sewing machine is the perfect choice for you.

For more information, contact Janome Corporation, 10000 Janome Drive, Irvine, CA 92618. Or call 1-800-426-2636.

**Janome Corporation**

**10000 Janome Drive**

**Irvine, CA 92618**

**1-800-426-2636**

**© 1988 Janome Corporation**

## Jeevan and Hanu look up to **MIGRATION MAGIC**

**What is Migration?**  
Migration is the movement of animals from one place to another. It is a natural process that helps animals survive in changing environments.

**Why do animals migrate?**  
Animals migrate for several reasons, including the search for food, water, and shelter. They also migrate to escape harsh weather conditions and to find better breeding grounds.

**How do animals migrate?**  
Animals migrate in different ways. Some animals, like birds, fly long distances. Others, like fish, swim. Some animals, like mammals, walk or run.

**Types of Migration**

- Seasonal Migration:** This is the most common type of migration. Animals migrate between their summer and winter homes. For example, birds migrate from North America to Central America for the winter.
- Diurnal Migration:** This is migration that occurs during the day. For example, some birds migrate from the ground to the trees during the day.
- Nocturnal Migration:** This is migration that occurs at night. For example, some birds migrate from the trees to the ground at night.

**Benefits of Migration**

- Survival:** Migration helps animals survive in changing environments. By moving to a new place, they can find food, water, and shelter.
- Reproduction:** Migration helps animals find better breeding grounds. By moving to a new place, they can find food, water, and shelter for their young.
- Genetic Diversity:** Migration helps maintain genetic diversity. By moving between different populations, animals can share their genes.



**Let us remember to be kind  
and try to protect the animals.  
Find out about it.**



**Life Insurance  
Corporation of India**



**PLAN AND PLAY SAFE!**

FOR ALL CLASSES OF INSURANCE

Insurance of India

[illegible][illegible]

**Pay day is family day**

You take care of your family's immediate needs on Pay Day. But think about tomorrow's needs, also a small part of your income earned through life insurance provides future protection for you and your family.



© 1994 Life Insurance Institute of America

- Pay insurance bills on time
- Review your policy often
- Consider your needs
- Make sure you have enough life insurance to provide for your family
- Review life insurance needs annually

**There is no substitute for LIFE INSURANCE**

[illegible]

mobilizing savings and utilizing them to the best advantage becomes socially purposive.

The Life Insurance company apart mobilizing saving has got economic relevance in the socio-economic infrastructure of the country. It has great employment potential directly and indirectly. Most recently it has become a great institution of foreign exchange earner. The role of Life Insurance Corporation is the one where manpower plays a vital role. In other industries it is the management which faces the music but in this case it is always the man power which directly sells to the CUSTOMER. Life insurance covers the risk of the mankind. It is a social oriented organization. Its purpose is to provide economic assistant to those persons family who are not alive. Its business is only to insured people and help to the Government by giving financial assistance.

By focusing on productivity corporation is realizing that it is imperative to hire employees who can do the job and be successful at it. It believes that organization has to find these people, bring them into the organization, and maintain their services. That is sound human resource development and implementation. In fact, it is the same thing it can be said regarding equal employment opportunity.

It is unfortunate that the corporation had to suffer through poor economic times before they realized that many of their hiring practices and personal philosophies were out of synchronization. They can no longer just hire to hire. And they can no longer rest on the belief that individuals will stay with a company through thick and thin. They must realize that training the new employees is necessary and sound Human Resource Development is one means of ensuring this.

Human Resource Development is full of "Should", but it is also influenced by "What is". Ideally, identifies the number of people needed in the years ahead, copied with the skill levels required. Additionally, there should be a succession plan, whereby individuals are targeted to fill positions when the incumbent levels.

But unfortunately, the "Should" do not dominate. Whereas long term planning is the most effective, the short-term, informal human resource planning systems are the norms.

As technology keeps improving more software will be developed to aid organizations in their human resource planning. The need is evident as organizations must be able to plan of their future human resource requirements and ensure that a count mule supply of talent is available and ready to move into mama aerial ranks when the time comes. Human

Resource is the only paramount issue facing the industry in the coming century.

The researcher found that life insurance corporation is confronting with many contemporary challenges in Human Resource Development. The most difficult challenges facing Human Resource Development is its significance to the rest of the corporation its benefit to the individual and the corporation both, its real in the corporation to ensure that human Resources are being utilized effectively and what can Human Resource Development do the corporations that is not currently done. Functions and Activities of Human Resource development in the corporation is not excellence and is not providing greater job satisfaction for individual growth and corporation's progress. The researcher found that there is not proper planning for Human resource needs into the corporation to fulfill the business plans properly. The employees of the corporation do not understand the importance of Human Resource Development because they are not being properly trained by the corporation. It is found that there are some employees in the corporation, who do not know about the Human Resource Development.

To achieve complete success in this research, a combination of direct approach, comprising of interviews and questionnaires method and observation techniques have been followed. The questionnaires were

comprehensive covering a series of questions pertaining to attitude behaviors and other implements. The study is descriptive cum analytical type of research design. The study is based on both primary and secondary data. During the sampling of the thesis, the researcher has dialed with the concept, development and present position of Human Resource Development in the Life Insurance Corporation of India. For collecting information under the head of primary data, the researcher has made use of basically one technique i.e. use of questionnaires and by having informal talks with the management and workman of the corporation. To ensure maximum objectives in the study a number of standard tools, as developed by different Indians and Foreign experts of behavioral and social science have been used. The data so collected have been processed manually as well as mechanically. Statistical methods have been used to analyze the data.

Life Insurance is a process in which the insurer under takes to pay a stipulated sum upon the death of the insured. The researcher has investigated that the life insurance corporation has many outstanding advantages and there is no alternative of the life Insurance corporation. The plans of the corporation are superior to unordinary saving plan but there are some deficiencies in its plans. The rate of premiums is very high and the conditions for being insured are very typical. After an initial period, if the

policyholder finds himself unable to continue payments of premium, approximately 30% of the total deposited premiums are being refunded to the policyholders which is not sufficient and due to this, the policyholders become annoyed and are not satisfied with the corporation.

It is found that the corporation is giving financial assistance to the central government and many states as well as many companies by way of loans and by contributing to their shares and debentures. At last the researcher found that mainly the operating unit of the corporation is the Branch office which is the center of profit and growth. The source for selling plans is the branch office. All the structure of the corporation is stand with the help of Branch offices. The corporate body of the corporations very old and there has been no change in the corporate body so the corporation is facing many problems.

It is found that there is no proper planning for Human Resource Development. They do not know the proper meaning of Human Resource Development because there are no sufficient programs for HRD in the corporation. Human Resource planning is one of the most important elements in the corporation but the corporation is facing many challenges in Human Resource planning. The corporation has a method of job analysis. It spends 10% of their sales on payroll. The managers of the corporation always try to choose the right person for the job but due to inexperienced

managers, the work of job design and job analysis are not being done properly. The staff Recruitment and selection in the corporation is being done every year. Few years ago the recruitment and selection was used to do by the corporation but now the situation is very different The Corporation is giving contract to private employment agencies for conduction some written tests for recruitment are taken by the corporation itself. And some recruitment is being made by the internal and external sources of the corporation. It is found that the process of recruitment and selection of the corporation is superior to other industry but there are some deficiencies in recruitment and Selection, which are being resolved by the corporation.

It is found that one of the major pit-fall in the actual operation of the performance appraisal system in the corporation is that the managers at different levels do not have the experience in conduction of performance review and analysis with the result that they may often make snap judgment. In the corporation, periodic assessment of the employee's work is not being done. The corporation gives incentives only to its Development officers and some financial appreciations are given to administrative staff for their good performance, which is not sufficient. Confidential report is one of the most important appraisal for employees performance, which are written at the end of the year for employee's performance .Employees are harassed by the



management for confidential report because the confidential report is only the source for promotions of the employees. The employees are always under pressured to the management. Thus it can be said that there is only confidential report for the appraisal of administrative staff of the corporation. It is found that training and Development program, is to remove performance deficiencies and it is very essential for Life Insurance corporation because the policyholders want to get as good service as other organizations are providing them with new technologies but there are many challenges in training and development which the corporation is facing. Training and Development programs are necessary in the corporation because of fast changing technology ,changing values and environment. It is found that there are many methods for implementing training and Development. The corporation is not implementing proper training and development program from among the many that are available.

It is found that a number of attempt have been made to identify various dimension of improving productivity and quality of working life by the corporation but the corporation has not received complete success in this field because there are many conceptual categories that together make up quality of work life and the corporation is not adopting them completely so the corporation is facing many contemporary challenges in improving

productivity and quality of working life.. Many training centers has been opened by the corporation and each training center has their own importance but due to technological advancement training centers of the corporation are being unable to train the staff and the training schedule of the training centers are lacking of modern technology which are being used in the corporation.

New Business of the corporation is increasing day by day and the services of the policy holders are being increased but the training programs of the corporation are very old so the policyholders are not receiving proper services from the corporation. The result of this, many policyholders are dissatisfied with the corporation and the interest of the public is being finished with the corporation day by day.

It is found that the corporation is improving its services day by day by providing sufficient training to staff. New business of the corporation has been increased since corporation has started many training centers. In the improvement of the corporation, the part of the training and development is very important

Basically ,the office work of the corporation is very easy and any person can do easily that work after some experience but the main office work of the corporation is, the customer's satisfaction because the policyholders are the

God for the corporation and they should not be dissatisfied. Mainly all the training centers of the corporation are providing the training of customer's satisfaction to its trainers. But it can be said; today there are some employees and officers of the corporation, who are negligent about the customer's satisfaction so some policyholders are not satisfied with the services of the corporation. There is no failure of the corporation in customer's satisfaction, corporation has arranged good facilities of training for employees and is arranging but there are some employees and officers who do not want to be trained and do not want to satisfy the customers. But majority employees of the corporation are providing good services to the policyholders. Because of many trained employees, the corporation has achieved a better financial position.

Career planning chalks out specific career paths of employees who have made clear commitment to the organization through spending some years in it. It helps the employees plan his career in terms of his capabilities. Career planning is not any commitment to promote an employee. It only implies that individual after becoming aware of some of his capabilities, career opportunities and developmental opportunities; choose to develop himself in directions that improve his chance of handling responsibilities. Questionnaires have been addressed to many officers of the rank of ADM

above asking for their career options for position in various groups of assignments like involving outdoor work, Analytical work. Specialist work, work involving people and technical work.

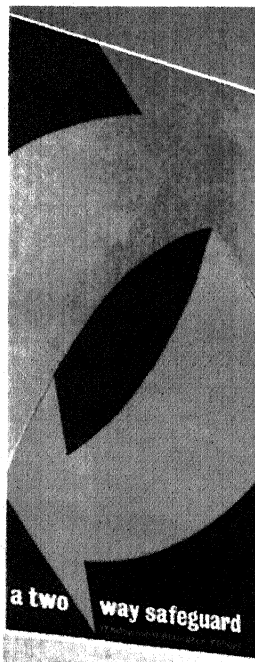
For employees in Assistance HGA cadre the beginning of carrier planning is in the matter of providing opportunities to learn various skills in the organization for which rotation in various assignment in Divisional offices and Branch offices is necessary respect necessary instructions have been issued to the various divisions to provide opportunities to the staff in various depth/ sections. Plans are also a foot for rotating officer is AAOs/AOS cadre among the

It is found after the visits of many offices of the corporation that many types of new technologies are being used in the corporation as mechanical, electronic and electrical technologies. The new business of the corporation has increased, empire to that time when no technologies were not implementing because after introducing new necrologies, services of the corporation has improved and the policyholder are satisfied with the services of the corporation. The make problem of the policyholders was to deposit the premium. At the cash counter, they spent allot of time and become annoyed. Now the position is better, corporation has introduced ECR in the

cash counter after the introduction of ECR; policyholders are depositing their premium within no time.

When the corporation had decided to install computers in the corporation, Trade Unions had opposite and they feared that after installation of computers, promotions and new recruitment would be stopped. But the management of the corporation has assured them that new recruitment and promotions would not be stopped. Trade unions beloved them and have given their consent for instilling computer in the corporation. But after proper installation of computers the promotions and recruitment became very slow and up to few years, promotions and recruitment were stopped totally. It has found that the management of the corporation is very happy and satisfied with the implementation of new technologies but the attitude of some employees are not good, they are not in the favor of new technological development but gooey want that due to technological development, there should not be any singer is employee's career and mew recruitment should not be stopped. During the investigation, the searcher found that 90% of the policyholders have welcomed he said that mostly people, employees and policyholders are satisfied with the technological development. New Business and investment of the corporation have increased and policyholders are being satisfied with the services of the corporation.

# PRODUCT GALLERY




**a two way safeguard**

**MONEY BACK POLICY**



Revised

NOW  
**You can own a HOME and not feel the burden.**



With LIC's liberalised Own-Your-Home Scheme.

अपने घर को सुरक्षित रखें और अपने परिवार को सुरक्षित रखें।



**परिवार बीमा योजना**

पैसे पत्नीकी योजना



अपने बच्चे को शिक्षित कीजिए बिना कोई खर्च किए



**शिक्षा संचयन योजना**

**JEEVAN MITRA**




**Jeevan Sarita**



Life Insurance Corporation of India

**Jeevan Kishor**



Just 7 annas also a policy holder.

Life Insurance Corporation of India

**Jeevan Chhaya**



A gift of love for your child

Providing **BAL VIDYA**

A single premium policy for children



Life Insurance Corporation of India

**NOW! LIC's Housing Finance facility extended to cover flats, too.**



Presented by RMA DWARKA - JALPA

**THE CAREFREE MAN**




**An umbrella for the Urban Disadvantaged**



Group Insurance

**POOR MAN'S FRIEND**

**New Jana Raksha Policy**



Life Insurance Corporation of India

Inviting the attention of NGOs, Panchayats, Self Help Groups




who all those who dedicate themselves to the cause of the underprivileged

**JANAKA**

Life Insurance Corporation of India

आपके परिवार के लिए आपको दिए गए मंत्र




आपके परिवार को सुरक्षित रखें और अपने परिवार को सुरक्षित रखें।

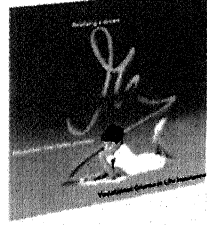
**जीवन आधार**

आपके घर के लिए

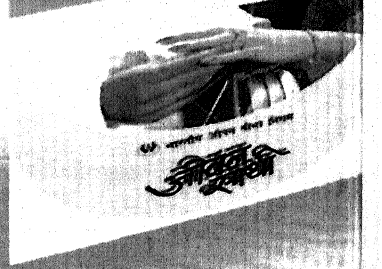
When you need costly treatment **LIC's ASHA DEEP POLICY** will bring you a big lump sum



Life Insurance Corporation of India



**LIC's Progress Protection Policy**

**जीवन आधार**



# PRODUCT GALLERY

**LIC's BIMA PLUS**

The LIC Insurance Corporation of India

**CHILDREN'S MONEY BACK POLICY**

The LIC Insurance Corporation of India

**SWEET 40**

START EARNING YOUR SECOND INCOME AT 40.

**FUTURE PLUS**

The LIC Insurance Corporation of India

**JEEVAN AKSHAY**

The LIC Insurance Corporation of India

**JEEVAN SAMRIDHI**

A Unique Money Back Plan

The LIC Insurance Corporation of India

**चित्त भी आपकी और पढ़त भी आपकी**

एक आई सी सी जीवन रेखा

एक ही पैर और आराम से चलेंगे या एक आराम से चलेंगे

**बाल्युप जीवन बीमा निगम**

The LIC Insurance Corporation of India

A two-step plan for a peaceful retirement.

1. Invest in LIC's New Jeevan Akshay-1  
2. Retire

**बाल्युप जीवन बीमा निगम**

The LIC Insurance Corporation of India

**BIMA NIVESH**

THE WISE DECISION

The LIC Insurance Corporation of India

"A promising life ahead and a Bima Kiran policy!"

"We are proud of you."

The LIC Insurance Corporation of India

**Bima Nivesh 2002**

Because dreams are meant to be lived.

The LIC Insurance Corporation of India

To fulfil the dreams of your loved ones

**JEEVAN SANCHAY**  
A NEW MONEY BACK PLAN

Now! New money back plan 15 years

The LIC Insurance Corporation of India

**JUST ONCE?**

Introducing Bima Bhakti, a single premium money-back policy

**BIMA BHAKTI**

The LIC Insurance Corporation of India

**LIC's JEEVAN SHREE - I**

Keep smiling. Today and tomorrow.

The LIC Insurance Corporation of India

**कोमल जीवन**  
Bhagya Lakshmi Yojana

एक और बड़ा निवेश करें अपने बच्चे के लिये सबसे अच्छे माता-पिता

**बाल्युप जीवन बीमा निगम**

The LIC Insurance Corporation of India

**Bima Gold**

The LIC Insurance Corporation of India

**Jeevan Sneha**

A Flexible Shareback Policy Exclusively For The Women of Today

The LIC Insurance Corporation of India

**JEEVAN SUKANYA**

The LIC Insurance Corporation of India

**JEEVAN SURABHI**

A MONEY BACK PLAN WITH FINANCIAL INSURANCE COVER

The LIC Insurance Corporation of India

**NAV PRAGAT**  
A SPECIAL PLAN FOR SENIOR CITIZENS

The LIC Insurance Corporation of India

**Add Plus to your Life**

The LIC Insurance Corporation of India

Only you can give life. That's why we protect yours.

**Jeevan Bharati**

The LIC Insurance Corporation of India

Be at 60 what you are at 30. Self-dependant.

**JEEVAN NAVPRAGAT**

The LIC Insurance Corporation of India

## CHALLENGES OF THE FUTURE IN L.I.C.

L.I.C. is passing through series of crises both potential and economic which affect one as individuals and as an organization. Discussions are taking place in various forums on the upheavals that are taking place around us like economic policy, Industrial policy, competition, globalization, etc. opinion are expressed on the actions of the Government which range from grave fears and misgivings about the consequences to high praise for the Government for its bold actions which could solve all our problems and bring in outpost.

Both the extreme shades of opinion appear to be far fetched. Ones as lay man can not claim expertise to analyze and comment on the merits or demerits of the contemplated challenges and the consequences they may bring. It can be said with certainty that change or no change, the ultimate outcome will depend upon the people who belong to the system, the people who will operate the system, their will power to succeed and excel and their motivation.

This is a slight difference in the current change scenario while the previous changes we underwent were triggered internally within the organization or within the country the present changes are consequence of international compulsions and have global implications. Being a vibrant organization



quick to absorb and adapt to changes. It is hoped that it can probably face the future with confidence.

Competition can arise from other organizations within the country who are allowed to do life insurance business. At the same time LIC is already in areas other than life insurance like mutual funds & housing finance where the performance of LIC can be said to be satisfactory if not spectacular. This has tended to give to the public wider choice and better service. It is also true that LIC is sharpening the. Competitiveness in these areas both product wise and service wise.

As a consequence of globalization and government policies the tax concession that our products attract are likely to be reduced or withdrawn. Our products and services will then have to stand on their own merits and innovative new products will come to be marketed by us.

Strategies have to be developed to prepare ourselves for these challenges and most of them will have some HRD angle.

### **Learning:-**

At present LIC has a network of training establishments providing learning inputs to various levels. These can be said to be having high standards but due to the size of LIC's staff strength comprehensive coverage of all persons in all desirable areas are seldom possible.

LIC can think of developing a culture of self learning both by studies as also by experience learning, Apart from deriving job satisfaction by means of achievement of targets, well executed projects etc. can our people get satisfaction by learning from experience, from unexpected results, from innovative ideas which they are encouraged to practice.

Apart from the “learning” being acquired by individuals it is worthwhile to think about learning by the organizations as a whole - by way of socio - economic surveys, scenario analysis both inside the country and globally. To some extent, this is being done at central office level but this has to spread to zonal and Divisional offices levels and the results of the studies need to be communicated widely and discussed at different levels.

### **Customer Factor:-**

Being sensitive to the existence of a customer from top to bottom in the organization to the top in the market place. Customer needs can arise in the areas of (a) new product requirements and product innovation (b) service flexibility (c) quality management both in products and services.

In Life Insurance Corporation of India, HRD has developmental dimensions too. It provides for growth and self renewal for employees. Each employee is responsible for conditions for the growth. Some developmental dimensions of HRD in Life Insurance corporation are as follows:-

- \* HRD matches the role and the person by selection, recruitment, placement and promotion.
- \* HRD Analyses the role of the persons by providing role descriptions by spelling out the purpose of each position, prescribed element of the role in each position and also the discretionary element in each position.
- \* HRD develops the person in the role by means of performance appraisal, career development, career planning and training systems.
- \* HRD develops the role for the persons means of job rotation, job enrichment and job re-design.
- \* HRD also develops equitability among the employees by managing appropriate salary and perks, management of incentives and regards, standardizing and administering rules equitability among the employees.
- \* HRD develops self renewing capacity for the individual.

# **CHAPTER VI**

## **FINDINGS & SUGGESTIONS**

When the data were carefully scrutinized, no relationship was found between job dissatisfaction and perceived needs. In fact, the need for problem, consultation seemed independent of satisfaction. Did this mean that there were no suggestions to come out of this research? On the contrary Recommendation generated by the study included.

- (i) Suggestions... regarding Employees
- (ii) Suggestions regarding officers
- (iii) Important recommendations

### **SUGGESTIONS REGARDING EMPLOYEES:**

1. **Job Satisfaction** – Mostly employees of life Insurance corporation of India are not satisfied with their work assignment. The percent of such persons is higher in Assistant Grade and Higher Grade Assistant. It is suggested that allocation of jobs must be done after thorough trial and checking. Allocation of job should be made not only on the basis of prescribed norms but also on the basis of nature and aptitude of the employees because defective allocation not only increase problems of management but also increase the management expensive.
2. **Saving of idle-time-** It has been noticed that on account of numerous factors there is idle time in the corporations. Following suggestions are relevant in connection of curtailment of idle time in the offices:-

- \* There should be more effective control on cash counter and other counters of the corporation's offices.
- \* There should be study flow of jobs to test areas as per fixed schedule.
- \* Printed forms, stationary and other material related to every counter should be made available timely.
- \* Tea services must be started.
- \* Miscellaneous causes which are mostly frivolous and on account of which unnecessarily time is wasted must be removed. For this purpose screening should be made by a committee and test checking of the recommendations of this committee be made.

**3. Incentive scheme 1-** It is seen that there is no incentive scheme in the corporation for administrative staff. It is suggested that there should be an incentive scheme and incentives be related with the performance of the employees. There should be standards for this purpose. Any one meeting the standards should be given incentives and for that too, they should be in degrees by which the norms are surpassed, and incentives should not be nominal but substantive one, which must boost up the courage of the employees of for making better performance.

**4. Improving of Training Facilities:** - Wherever necessary there should be adequate arrangements of various types of training. Though at present training facilities do exist in the corporation yet the suggestion is that more judicious view should be adopted in selecting employees for training and quality of training to be given.

**5. Promotions:** - In the corporation, promotions are given on the basis of time factor i.e. employee senior in service is promoted first than junior one. It is, therefore, necessary that whenever vacancy of a higher post occurs, competency and ability should be the main base for promotion in comparison to experience because experience in India simply mean passing a particular period in a particular job without increasing the ability and competency in that job and the worst is that the more the experience is the less work is done, promotions should be given on the basis of knowledge, ability and competency with carrying for a particular run period in a particular job.

### **SUGGESTIONS REGARDINGS OFFICERS:-**

Suggestions regarding officer are as follows:-

- \* Officers should kill egoism and maintain smiling face.

- \* Stops should be adopted to stretch the importance of mutual understanding. This fact is very necessary for seeking co-operation to each other.
- \* Employees mostly do not co-operate as the job entrusted to them is not suitable according to their qualification. Experience and aptitude, therefore proper allocation of job is necessary to seek co-operation.
- \* Frequent meeting for mutual understanding of problems are necessary.
- \* There is lack of initiative among the supervisors and employees which should be developed.

#### **IMPORTANT SUGGESTIONS:-**

- \* Corporation should begin a dialogue with its employees on personal problem issue through its personnel and employee relations division.
- \* Corporations should establish a committee to determine policies and directives regarding the personal problem situation and should make the policies known to all employees.
- \* Corporation should consider the implementation of personal problem assistance programs and identification and referred service to



support them. The form of these programs should satisfy the employee's concern for confidentiality and security.

\* In developing the 'program,' corporation should be sensitive to the following concerns expressed by employees:-

(a) Include family members

(b) Avoid contact with supervisor's personal, confidential matters

\* Notify employees of available programs through written memoranda and newsletters.

\* A successful job enrichment program should ideally increase employee's satisfaction and it should be implemented in LIC.

\* Corporation should begin a job rotation program in large scale. Job rotation offers a potential for dealing with the problems of general employee dissatisfaction caused by over-structuring.

\* Another recommendation towards increasing worker's freedom and their motivation is flex time. Flex time is a system whereby employees contract to work a specific number of hours a week but are free to vary the hours of work within certain limits. Each day consists of a common core, usually six hours, within a flexibility band surrounding the core.

A comprehensive job analysis program should be introduced since it is an ingredient of sound personnel management. It is a major input to forecasting future man power requirements, job modification, job evaluation, and determination of proper compensation and writing of job description

The present decade symbolizes the spirit of a perestroika and unprecedented change it is characterized by a multiplicity of factors like technological and information innovations radical change in world economy and human values. In this scenario the laid down policies of recruitment, selection and training should be redrawn periodically in order to meet new challenges.

Selection will be judicious if right man is selected for the right job at the right time. In order to check personal bias in selection process it is appropriate to include personnel's from other organizations in interview board or selection committee.

The executive are the backbone of any organization, so the selection process made for them should be more stringent and more complex screening process can be used, such as group – discussion case- story etc.

It is suggested that a concerted and dynamic effort should be adopted by both employees and management for providing better services to the policyholders. This has to be done in response to the specific needs, tastes and perceptions of the policyholders.

Great stress must be placed on the promotion of employee, with the support of Government in terms of both financing and encouragement. Such support can contribute to economic development and increased employment. The Govt should pay particular attention to the statistics forecasting and significant growth of Life Insurance Corporation.

Trainee and instructors, who are qualified and experienced from teaching and the professional standpoint, must be available and they must have opportunities for upgrading their knowledge and practical experience.

The opportunities of making a career in the corporation at different levels and prospects for career development must be appropriately made known to aspirants.

Adequate finance must be made available for the stepping-up of training schools and facilities and operating these at optimum standards.

Permanent training system has to be introduced:-

- To assist in meeting urgent needs for trained manpower in the expanding LIC industry.
- As a permanent means of adopting manpower to technical progress.
- To provide opportunities for occupational competence for jobs, and

- To further the development of occupational, social and economic upgrading.

Select trainees who admittedly have the ability to acquire the proficiency within the duration of a course and formulating and using syllabi with related theory and practical exercise and instruction based on a careful evaluation of training required for each occupation and review in the light of new management and training technique and technology. In order to ensure good training, use trained trainers and limit the number of trainees for personalized attention and intensive instruction and supervision. Training should be realistic as possible in condition and surroundings close to the industry to provide real work experience and value. This may be supplemented by on-the-job training for the purpose of increasing versatility and skills.

With regards to employees appraisal systems a regular formal appraisal of an employee's performance, away from the pressure of the job, can be beneficial in improving the employee's performance and the relationship between the management and the employer. The fact that there will be ongoing contact and feedback will enhance the quality of appraisal system, as the manager will have many example of employee's behaviour to draw upon the employee only be able to relate to specific examples.

Improvement goals for the organization as a whole should be set in such a way that they become meaningful things for employee to focus and understand the basic recommendation for setting improvement goals are as follows :-

1. Involve the supervisor in suggesting goal and get supervisor to involve there workers.
2. Analyze the policyholder's reaction to the services provided by going personal observation, customer's comments and customer's history information.
3. Make sure that there is a spread of goals across all these segments i.e. satisfied customers, happy staff, and profit to the organization, although concentrate on the weakest segment.
4. Make the goal measurable and specific, i.e. reduction in customer's complaints.
5. Review progress periodically and reset goals. Do not let goals drop out of sight. As one of the goals in neared bring in another one.

This going process of setting and reviewing goals will give the organization sense of purpose and direction which it otherwise might

lack. It will create opportunities for employees to self measure and to be spurred on to greater achievement.

With the assistance of experts, manager's could apply and adopt the various cost cutting, efficiency improving systems available through computers and make use of the current technological tools for the improvement of LIC management; An effective management force that is capable of utilizing modern management techniques is fundamental to the achievement of the dynamic changes envisaged for the future. Such a work force can be provided by modern management and executive development methods and appropriate vocational training system.

It is suggested that for discharge of new roles as emerging from the reorganization the personnel and HRD departments in the Central office/Zonal office/and Divisional office shall have to be reorganized and restructured. The Administrative Powers centralized in Central office, Zonal office, may have to be passed on down the line. The Divisional office Departments may have to be responsible for management Development, Career planning and Training or the staff working in the Divisional office and its Branches. Zonal offices may have to be given increased powers for promotion up to administrative officer's and for transfer and placement even up to Asstt. Divisional departments should be carefully selected and may be

sent for special training programmers arranged by prominent Management Institute in the country.

The objectives should be to develop expertise in the field of Personnel Management from within the organization over a period of time. It is suggested that in this process the personal responsibility of line managers should get embodied in their overall roles to an extent that in the role assumptions these Management too play their part in human resources development. In particular, counseling and career planning will be increasingly taken up at all managerial levels as a specific job obligation.

As individuals of superior abilities are recruited at all hierarchical level in LIC, it is suggested that the responsibility for results increasingly is to be assigned lower levels. There is a need to develop ones of independence and self confidence at all levels. These characteristics are likely to develop if:-

- Employees are consulted more and more in their career planning placement, transfer and in other matters that influence their personal life.
- Personnel practices in respect of selection, appraisal transfer and promotion are seen as fair and just by those affected by them and special efforts by LIC management are made to gain such acceptance from employees and

- before drawing up the action plan for implementing the policy discussions take place at all levels, including the Unions and the participants realize the special responsibility that evolves on them for the successful implementation of the entire program.

It is suggested that a system of recognizing exceptional merit and performance is necessary at all employee levels. The factor to determine this should be how challenging a work play had been drawn and achieved and how consistent had been pattern of high performance. The recommendations on merit promotion should be submitted through management committee and a percentage of promotion on that basis show is decided in advance.

Through the reorganization process, the work has been decentralized to the branches. It is suggested that it is necessary to redesign the work in all out offices specially the Branch offices. To start with, this work of redesign may be started in some Branches in each Zone on experimental basis. Later on it can be implemented in all Branches.

Some relevant suggestions about the Human Resource Development in Life Insurance Corporation of India are as follows:-

- \* People should be preparing for growth and development.
- \* Articulation of personal policy should be done.
- \* There should be the formulation of training policy.



- \* Work planning & review system should be adopted.
- \* Contact with customer to personalized service and appreciate customer's needs.
- \* Encouraging field force to assess the market and plan strategy.
- \* Developing middle management for developing effective supervision, closer relationship and inter-departmental relations.
- \* Involvement of people – consultative system.
- \* Reviewing of performance and remedial action: profit & Growth/Quality of business-/Department & overall performance
- \* Building work Environment
- \* Training people to do better
- \* Establish links with the public
- \* Planning for growth by developing capabilities at field/office levels
- \* Directing feed back from customers and assessing the level of customer's satisfaction.
- \* Developing middle level management for independent action to improve performance of branches.

- \* Effective control through performance review – profit and Growth – quality of business- performance related to the nature of market.
- \* Analyzing performance data to develop new strategy-/approach
- \* Improving competence of people in technical/ supervisory/ management functions
- \* Facilitating Branch departments with manuals information, improved procedures etc.
- \* Influencing higher offices to change approaches.
- \* Using of new technology for improving customer service and decision making.
- \* Improving contact with public Institutions-Supervisors/Govt. etc.

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# QUESTIONNAIRE

## RECRUITMENT & PROMOTION

1. What are the different sources tapped by organization in getting Employees:-

Casual and Temporary Workers

\_\_\_\_\_

Promotion

\_\_\_\_\_

Present employee contacts

\_\_\_\_\_

College student's

\_\_\_\_\_

2. Which are the different methods of recruitment used by your Organization :-

Campus Interview

\_\_\_\_\_

Institutes / Universities sending

Bio-data directly

\_\_\_\_\_

Advertising in Newspapers

\_\_\_\_\_

Trade Unions & Associations

\_\_\_\_\_

Friends & Relatives of present

Empl.

\_\_\_\_\_

Private employment Agencies

\_\_\_\_\_

Any other, Specify

\_\_\_\_\_

3. Whether your organization had any formal application form

for the purpose of recruitment.

YES \_\_\_\_\_ NO \_\_\_\_\_

If yes , Kindly attach a copy of it with this questionnaire.

4. Whether all the employees of your organization are satisfied with the present promotion policy.

YES \_\_\_\_\_ NO \_\_\_\_\_

5. Whether promotion decision are based on the suitability of the Promote rather than on favoritism?

6. Whether your organization select female candidates

YES \_\_\_\_\_ NO \_\_\_\_\_

7. If yes , in which cadre your organization prefer to select Female candidates

Sub staff

\_\_\_\_\_

Record clerk

\_\_\_\_\_

Assistant

\_\_\_\_\_

Dev. Officer

\_\_\_\_\_

Higher Grade Asstt

\_\_\_\_\_

Class I officers

\_\_\_\_\_

8. Whether your organization prefer to select female candidates

YES \_\_\_\_\_ NO \_\_\_\_\_



9. Which type of promotion tests are used in your organization?

Trade test

---

Aptitude Test

---

Intelligence Test

---

Interest Test

---

Personality Test

---

Any other (specify)

---

## TRAINING & DEVELOPMENT

1. Whether Training is necessary for all recruits?

YES \_\_\_\_\_ NO \_\_\_\_\_

2. If yes, for what duration

One Week \_\_\_\_\_ Two Week \_\_\_\_\_ 15 days \_\_\_\_\_ one month \_\_\_\_\_ Two  
Month \_\_\_\_\_

3. Whether Training is necessary for newly promoted employees?

YES \_\_\_\_\_ NO \_\_\_\_\_

4. What are the most commonly used methods for identifying training  
Needs

Analysis of activity \_\_\_\_\_ Interview \_\_\_\_\_

Analysis of behavior \_\_\_\_\_ Observations \_\_\_\_\_

Check List \_\_\_\_\_ Role Playing \_\_\_\_\_

Committee \_\_\_\_\_ Tests \_\_\_\_\_

Counseling \_\_\_\_\_ Questionnaire \_\_\_\_\_

Any other (specify) \_\_\_\_\_

5. Which are the different training methods used by your organization  
?

On the job training \_\_\_\_\_

Lectures \_\_\_\_\_

Role Playing \_\_\_\_\_

Training centers \_\_\_\_\_

6. (a) Do you feel that your organization has a definite plan of developing you for higher position YES \_\_\_\_\_ NO \_\_\_\_\_

(b) Do you know what the plan is YES \_\_\_\_\_ NO \_\_\_\_\_

(C) If yes, please describe it below  
\_\_\_\_\_  
\_\_\_\_\_

7. Generally which management development programs are given in your organization for various position ?

ROLE PLAYING \_\_\_\_\_

JOB ROTATION \_\_\_\_\_

TEMPORARY PROMOTIONS \_\_\_\_\_

UNDER STUDY \_\_\_\_\_

8. When employees are sponsored for training they take it seriously and try to learn from programs they attended ?

YES \_\_\_\_\_ NO \_\_\_\_\_

9. whether employees returning from training programs are given opportunities to try out what they have learn ?

YES \_\_\_\_\_ NO \_\_\_\_\_

10 Whether employees are sponsored for training programs on the basis of genuine needs ?

YES \_\_\_\_\_ NO \_\_\_\_\_

## PERFORMANCE APPRAISAL

1. Whether your organization have any structured performance appraisal system

Yes \_\_\_\_\_ No \_\_\_\_\_

2. If the answer for (1) is yes, which are the methods used in your organization

Forced Rating scale \_\_\_\_\_

Choice methods \_\_\_\_\_

Ranking methods \_\_\_\_\_

Management by objectives \_\_\_\_\_

Critical Incident Methods \_\_\_\_\_

Performance Tests & observations \_\_\_\_\_

Self Appraisal \_\_\_\_\_

Any Other (Specify) \_\_\_\_\_

## TECHNOLOGICAL DEVELOPMENT

1. Does your organization have the modern technology in use?

(Automation, Computers, etc.)

Yes \_\_\_\_\_ No \_\_\_\_\_

2. If the answer for (1) is yes, whether the modern technology is in use?

FULLY \_\_\_\_\_ PARTLY \_\_\_\_\_

3. Whether in your opinion the use of modern technology helps in Coping up with the problem of scarcity of manpower?

4. By what percentage the emphasis can be reduced on human resource

With the use of modern technology?

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## H.R.D CLIMATE SURVEY REPORT

1.This organization ensures employees welfare to such an extent that the employees can save a lot of their mental energy of work purpose

YES \_\_\_\_\_ NO \_\_\_\_\_

2. Job rotation in this organization facilitates employee development

YES \_\_\_\_\_ NO \_\_\_\_\_

3. Employees are encouraged to experiment with new methods and try out creative ideas

YES \_\_\_\_\_ NO \_\_\_\_\_

4. People in this organization do not have any fixed impression about each other

YES \_\_\_\_\_ NO \_\_\_\_\_

5. Weaknesses of employees are communicated to them in a non – threatening way

YES \_\_\_\_\_ NO \_\_\_\_\_

6. When behavior feedback is given to employees they take it seriously and use it for development

YES \_\_\_\_\_ NO \_\_\_\_\_

7. People trust other in this organization

YES \_\_\_\_\_ NO \_\_\_\_\_

8. Employee are not afraid to express or discuss their feelings with their superiors

YES \_\_\_\_\_ NO \_\_\_\_\_

9. Employees are not afraid to express or discuss their feelings with their subordinates

YES \_\_\_\_\_ NO \_\_\_\_\_

10. Employees are encouraged to take initiative and do things on their own without having to wait for instructions from supervisors

YES \_\_\_\_\_ NO \_\_\_\_\_

11. The top management of this organization goes out of its way to make sure that employees enjoy their work

YES \_\_\_\_\_ NO \_\_\_\_\_

12. The top management believes that human resources are an extremely important resource and that they have to be treated more humanly

YES \_\_\_\_\_ NO \_\_\_\_\_

13. Development of the subordinate is seen as important part of their job by the manager / officer here

YES \_\_\_\_\_ NO \_\_\_\_\_



14. The personnel policies in this organization facilitate employee development

YES \_\_\_\_\_ NO \_\_\_\_\_

15. The top management is willing to invest a considerable part of their time and other resources to ensure the development of employees

YES \_\_\_\_\_ NO \_\_\_\_\_

16. Seniors guide their juniors and prepare them for future responsibilities / role they are likely to take up

YES \_\_\_\_\_ NO \_\_\_\_\_

17. There are mechanisms in this organization to reward any good work done or any contribution made by employees

YES \_\_\_\_\_ NO \_\_\_\_\_

18. Performance appraisal reports in our organization are based on objective assessment and adequate information and not an favoritism

YES \_\_\_\_\_ NO \_\_\_\_\_

19. When an employee does good work his supervising officer take special care to appreciate it

YES \_\_\_\_\_ NO \_\_\_\_\_

20. Career opportunity are pointed out to juniors by senior officers in the organization

YES \_\_\_\_\_ NO \_\_\_\_\_

21. When problems arise people discuss these problems openly and try to solve them rather than keep accusing each other behind their back

YES \_\_\_\_\_ NO \_\_\_\_\_

22. Team spirit is of high order in this organization

YES \_\_\_\_\_ NO \_\_\_\_\_

23. When seniors delegate authority to juniors , the juniors use it as an opportunity for development

YES \_\_\_\_\_ NO \_\_\_\_\_

24. Delegation of authority to encourage juniors to develop handling higher responsibilities is quite common in this organization

YES \_\_\_\_\_ NO \_\_\_\_\_

25. The top management of this organization makes effort to identify and utilize the potential of the employees

YES \_\_\_\_\_ NO \_\_\_\_\_

26. Employees in this organization are very informal and do not hesitate to discuss their personal problems with their supervisors

YES \_\_\_\_\_ NO \_\_\_\_\_

27. Managers in this organization believe that employee behavior can be changed and people can be developed at any stage of their life

YES \_\_\_\_\_ NO \_\_\_\_\_

28. People lacking competence in doing their job are helped to acquire it rather than being left unattended

YES \_\_\_\_\_ NO \_\_\_\_\_

29. Senior officers/executives in this organization take active interest in their juniors and help them learn their job

YES \_\_\_\_\_ NO \_\_\_\_\_

30. Employees in this organization take pains to find out their strengths and weaknesses from their supervising officers and their colleagues

YES \_\_\_\_\_ NO \_\_\_\_\_

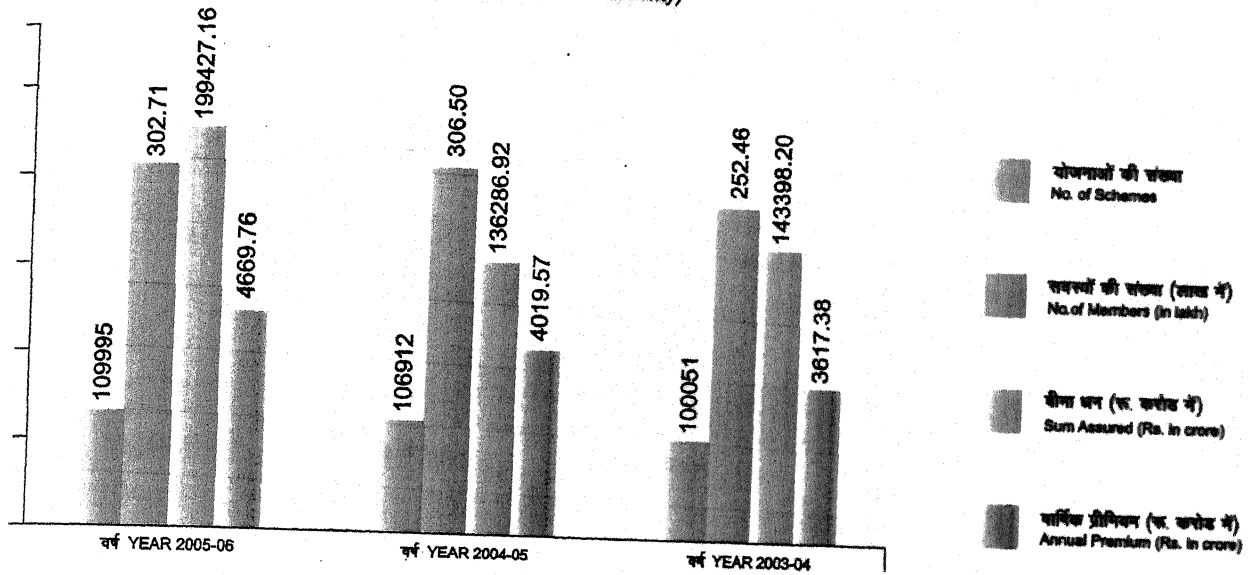
31. When any employee makes a mistake his supervisor treats it with understanding and helps him to learn from such mistakes rather than punishing or discouraging him

YES \_\_\_\_\_ NO \_\_\_\_\_

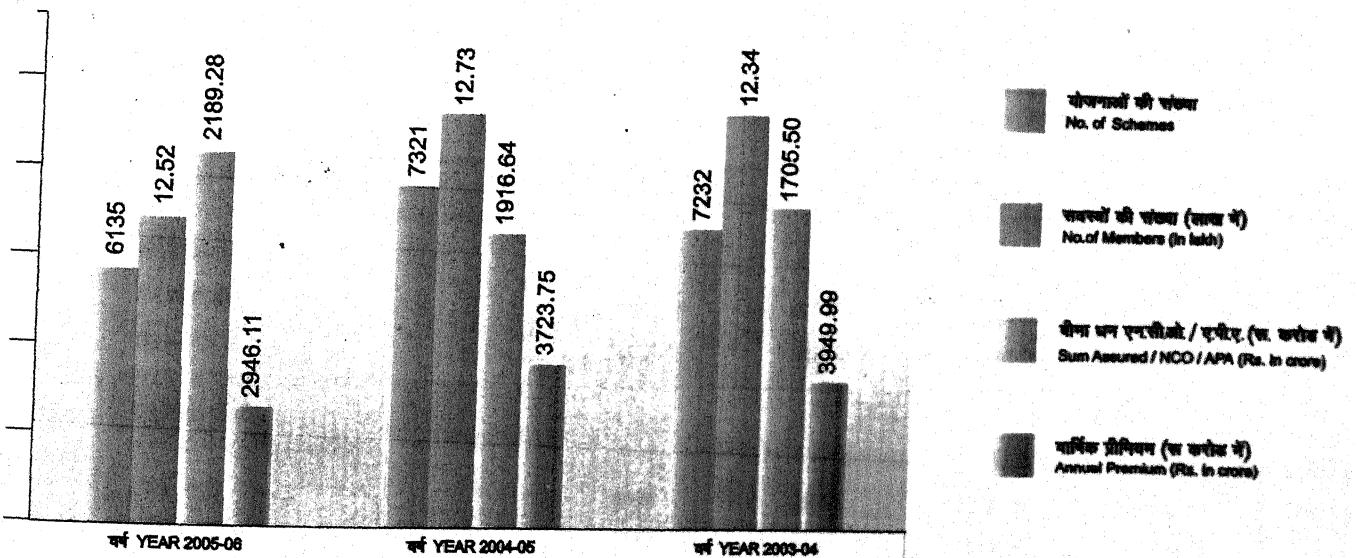
32. The organization's future plans are made known to their managerial staff to help them develop their juniors and prepare them for their future

YES \_\_\_\_\_ NO \_\_\_\_\_

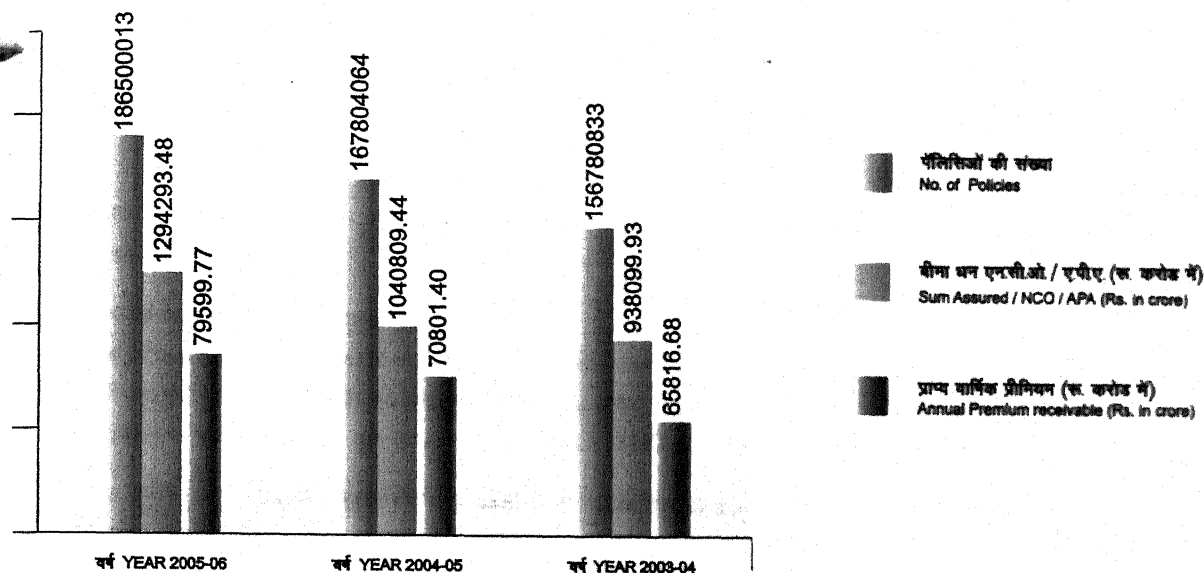
**चालू व्यवसाय - समूह बीमा**  
**BUSINESS IN FORCE - GROUP INSURANCE (With Social Security)**



**चालू व्यवसाय - समूह सेवा निवृत्ति**  
**BUSINESS IN FORCE - GROUP SURERANNUATION**



चालू व्यवसाय -व्यक्तिगत  
BUSINESS IN FORCE - INDIVIDUAL



सारणी नं. 3बी  
Table No. 3B

चालू व्यवसाय (समूह)  
BUSINESS IN FORCE (GROUP)

वर्ष YEAR	योजनाओं की संख्या No. of Schemes	सदस्य की संख्या (लाख में) No. of members (in lakh)	बीमा धन/ सं. न. वि./प्र. वा. (रु. करोड़ में) Sum Assured / NOC / APA (Rs. in crore)	प्रीमियम आय (रु. करोड़ में) Premium Income (Rs. in crore)
<b>समूह बीमा (सामाजिक सुरक्षा के साथ) Group Insurance (Incl. Social Security)</b>				
2005-2006	109995	302.71	199427.16	4669.76
2004-2005	106912	306.50	136286.92	4019.57
2003-2004	100051	252.46	143398.20	3617.38
<b>समूह सेवा निवृत्ति Group Superannuation</b>				
2005-2006	6135	12.52	2189.28	2946.11
2004-2005	7321	12.73	1916.64	3723.75
2003-2004	7232	12.34	1705.50	3949.99

## 6) Claims

The claims settled and remaining unpaid for a period of more than 6 months as on the balance sheet date: (As certified by Management).

	Number		Amount (Rs. in lacs)	
	Current Year	Previous Year	Current Year	Previous Year
Claims by death	1369	1236	634	403
Claims by maturity	104115	77374	10806	7858

## 7) Value of contracts outstanding

Value of contracts in relation to investments in respect of Non- Linked business:

- (a) Purchases where deliveries are pending Rs. 3390 lacs (previous year Rs. 5657 lacs)  
 (b) Sales where payments are overdue Rs. 11773 lacs (previous year Rs. 2569 lacs)

There were no contracts outstanding in relation to investments in respect of Pension business and CRAC business.

Value of contracts in relation to investments in respect of Linked business:

- (a) Purchases where deliveries are pending Rs. 2279 lacs (Previous Year NIL)  
 (b) Sales where payments are overdue Rs. 756 lacs (Previous Year NIL)

## 8) Operating Expenses: Basis of allocation of expenditure to various segments of business

Operating Expenses relating to insurance business are allocated to Non-Linked Participating, Non-Linked Non-Participating, General Annuities, Pensions, Group Business, Unit Linked Business, CRAC and VPBY business on the basis of:

- a. Expenses which are directly identifiable are allocated on actual basis, and  
 b. Other Expenses which are not directly identifiable are allocated out of the common pool on of the following basis or a combination of these:
- Number of policies
  - Total premium collected
  - Sum assured

The method of allocation has been decided based on the nature of expenses (NB/renewal, fixed/variable etc.) and identifiable parameters based on expense classes are applied to each line of business.

Allocation of common expenses between various business segments and allocation of expenses between Participating, Non-Participating and Annuity Policies are as certified by the Appointed Actuary.

## 9) Managerial Remuneration to Chairman &amp; Managing Directors

	Amount (Rs. in lacs)	
	Current Year	Previous Year
Salaries & Allowances	29.75	23.62
Corporation's contribution to Pension	3.00	1.80
Taxable Value of Perquisites	0.13	0.94
Gratuity paid	7.00	7.00

## 10) Historical cost of investments in Equity Shares, Mutual Funds valued on fair value basis.

	Current Year	Previous Year
(a) Non Linked Business:		
Life, Annuity and Group Schemes	Rs. 3658107 lacs	Rs. 3135731 lacs
Shareholders Account	Rs. 6035 lacs	Rs. 106 lacs
Mutual Fund Investments	Rs. 134552 lacs	Rs. 159131 lacs
(b) Linked Business	Rs. 990242 lacs	Rs. 94347 lacs
(c) Capital Redemption & Annuity Certain	Rs. 11 lacs	Rs. 11 lacs

अनुसूची

CHEDULE

## 3 - बीमा व्यवसाय से सम्बन्धित परिचालन व्यय

## 3 - OPERATING EXPENSES RELATED TO INSURANCE BUSINESS:

(रुपये लाखों में)  
(Rupees in lacs)

विवरण Particulars	गैर-संबद्ध व्यवसाय Non-linked Business		संबद्ध व्यवसाय Linked Business	कुल (चालू वर्ष) Total (Current Year)		कुल (पिछले वर्ष) Total (Previous Year)	
	सहभागी Participating	गैर-सहभागी Non-Participating		सहभागी Participating	गैर-सहभागी Non-Participating	सहभागी Participating	गैर-सहभागी Non-Participating
कर्मचारियों का पारिश्रमिक तथा कल्याण लाभ Employees' remuneration & welfare benefits	290918.70	9546.25	59431.34	290918.70	68977.59	297184.70	48055.00
यात्रा, सवारी एवं वाहन चालन व्यय Travel, conveyance and vehicle running expenses	9924.62	406.31	2009.95	9924.62	2416.26	8182.58	1114.00
प्रशिक्षण व्यय Training Expenses	735.53	26.98	149.20	735.53	176.18	725.05	103.00
किराया, दरें एवं कर Rents, rates & taxes	10746.59	398.95	2166.12	10746.59	2565.07	10093.58	1286.00
मरम्मत Repairs	2993.51	81.98	609.44	2993.51	691.42	3402.13	414.00
मुद्रण एवं लेखा सामग्री Printing & Stationery	6106.09	143.28	1239.78	6106.09	1383.06	6123.63	729.00
संचार व्यय Communication expenses	17470.98	686.24	3551.48	17470.98	4237.72	18909.61	2554.00
विधिक एवं व्यावसायिक प्रभार Legal & professional charges	458.06	11.24	65.23	458.06	76.47	546.17	33.00
चिकित्सा शुल्क Medical Fees	5179.58	78.93	1054.59	5179.58	1133.52	5275.25	585.00
लेखा परीक्षक शुल्क, व्यय आदि Auditors' fees, expenses etc.							
(क) लेखा परीक्षक के रूप में (a) as auditor	192.72	5.68	0.10	192.72	5.78	137.32	3.00
(ख) सलाहकार के रूप में या निम्न संबंध में किसी भी क्षमता में (b) as adviser or in any other capacity in respect of	15.81	0.07	0.00	15.81	0.07	5.11	0.00
कराधान मामले (i) Taxation matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
बीमा मामले (ii) Insurance matters	0.00	0.00	0.00	0.00	0.00	0.00	0.00
प्रबन्धन सेवाएं, तथा (iii) Management services; and	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(ग) किसी भी अन्य क्षमता में (c) in any other capacity	0.00	0.00	0.00	0.00	0.00	0.00	0.00
विज्ञापन एवं प्रचार Advertisement and publicity	10770.36	647.74	2143.13	10770.36	2790.87	8093.04	1351.00
ब्याज एवं बैंक प्रभार Interest & bank Charges	6416.79	382.32	1299.34	6416.79	1681.66	6475.37	971.00